



# ***Daily Report***

## **East Asia**

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# Daily Report

## East Asia

FBIS-EAS-94-210

### CONTENTS

31 October 1994

**NOTICE TO READERS:** Effective 1 October, the processing indicators appearing in brackets at the start of each item in this publication will be changed. All new indicators will begin with "FBIS" to make the material more easily identifiable. Some will also indicate whether the item has been translated from the vernacular or transcribed from English.

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#### INTERNATIONAL AFFAIRS

Declaration of Jakarta APEC Summit Discussed [NIHON KEIZAI SHIMBUN 28 Oct] .....	1
Japanese, PRC, ROK Mayors Meet for Friendship [KYODO] .....	1
NGO's Seek To Foster Ties on Asia, Africa Aid [KYODO] .....	2
Tokyo International Environment Forum Concludes [KYODO] .....	2
Philippines' Ramos Addresses Energy Conference [Quezon City Radio] .....	2

#### INTER-ASIAN AFFAIRS

Further on Workshop on South China Sea Issue .....	3
Participants Make 'Little Headway' [THE STRAITS TIMES 29 Oct] .....	3
Workshop Ends; Resolutions Adopted [Jakarta Radio] .....	3

#### NORTHEAST ASIA

##### Japan

Kantor, Brown Write Letter on Auto Parts Sector [KYODO] .....	4
'Another Round' of Framework Talks Completed [KYODO] .....	4
Tokyo To Settle Glass Talks [KYODO] .....	4
Government To Survey Price Differentials [NIHON KEIZAI SHIMBUN 29 Oct] .....	5
U.S. Businesses List Market-Opening Demands [NIHON KEIZAI SHIMBUN 29 Oct] .....	5
Hashimoto Asks ACCJ's Opinions on Deregulation [KYODO] .....	6
Engineering Firms Increase Foreign Procurement [NIHON KEIZAI SHIMBUN 6 Oct] .....	6
Hiraiwa Urges Fuller Japan-U.S. Cooperation [KYODO] .....	7
Civair Talks With U.S. 'Likely' by Year-End [KYODO] .....	7
Murayama on Need for U.S. Security Agreement [KYODO] .....	7
Retirement Money To Fund U.S. Military Costs [KYODO] .....	8
Committee To Re-Examine UX Aircraft Selection [ASAHI SHIMBUN 23 Oct] .....	8
U.S., French Aircraft Recommended for ASDF [KYODO] .....	9
20 Percent Decline Expected in Tariff Revenue [NIHON KEIZAI SHIMBUN 28 Oct] .....	9
Government Urged To Ratify WTO Accord [TOKYO SHIMBUN 26 Oct] .....	10
Tokyo's Participation in PKF Called 'Premature' [KYODO] .....	10
EU Presents Comprehensive Deregulation List [KYODO] .....	11
PRC N-Tests Said Not Related to Ex-Im Loans [KYODO] .....	11
DPRK May Get Alternative Energy From Australia [KYODO] .....	11
No Conditions Set for Resumption of DPRK Talks [YOMIURI SHIMBUN 27 Oct] .....	12
Kono on Cooperation With ROK, DPRK Talks [ASAHI SHIMBUN 28 Oct] .....	12
New Aid Package To Be Offered to Vietnam [KYODO] .....	12
Murayama Asked To Voice Regret Over East Timor [KYODO] .....	13
Hosokawa's Japan New Party To Be Dissolved [KYODO] .....	13
Further on JNP Dissolution [KYODO] .....	14
JNP's Role Analyzed [KYODO] .....	14
New Opposition Party To Elect Head by 10 Dec [KYODO] .....	15
Hosokawa Not To Head Party [MAINICHI SHIMBUN 31 Oct] .....	15
Komeito Leader on Party Head [KYODO] .....	15



Opposition Parties Draft Platform for New Party [ASAHI SHIMBUN 29 Oct]	16
Ozawa: New-New Party To Work With Any Party [TOKYO SHIMBUN 25 Oct]	16
Rengo Chairman on New Democratic Alliance [MAINICHI SHIMBUN 27 Oct]	17
Igarashi Signals Readiness for SDPJ Dissolution [KYODO]	17
Takemura Wary of Split [YOMIURI SHIMBUN 29 Oct]	18
SDPJ, Unions Maneuver Over Forming New Party [AERA 24 Oct]	18
SDPJ's Two Major Support Unions To Reunite [NIHON KEIZAI SHIMBUN 28 Oct]	21
LDP's Mori To Propose Ruling Party Summit [YOMIURI SHIMBUN 29 Oct]	21
Ruling Parties To Discuss Electoral Cooperation [KYODO]	22
Hyogo Governor Re-Elected; Backed by Nine Parties [KYODO]	22
Commission Reports on 1993 Political Funds [KYODO]	22
Race Between 'LDP-SDPJ,' 'Kaifu Supporters' [USHIO Sep]	22
Mieno on Importance of Stable Financial System [KYODO]	30
MITI Studying Impact of Structural Changes [NIHON KEIZAI SHIMBUN 29 Oct]	31
EA To Offer Simulation Tech to China, Korea [NIHON KEIZAI SHIMBUN 19 Oct]	32
Editorial Views Basic Environment Plan [NIHON KEIZAI SHIMBUN 16 Oct]	32

## North Korea

Upcoming U.S.-ROK Military Exercise Denounced [Pyongyang Radio]	33
U.S.-South Joint Aerial War Exercises Decried [KCNA]	34
DMZ 'Military Provocations' by South Condemned [KCNA]	34
ROK 'Puppet Prosecution' Decision Denounced [KCNA]	34
'Democratisation' Drama of ROK Condemned [KCNA]	35
Daily: Kim Yong-sam Commits Acts Against Nation [KCNA]	35
Kim Yong-sam's 'Nation-Selling Acts' Criticized [Pyongyang Radio]	36
UN Envoy Delivers Speech at 49th UNGA 21 Oct [Pyongyang Radio]	38
Ministry Spokesman on Jordan-Israel Peace Treaty [KCNA]	40
O Chin-u Sends Condolences to PRC Minister [KCNA]	40
Source: Pyongyang Ready To Resume Japan Talks [KYODO]	40
Newspaper Condemns Japanese 'Militarism' [KCNA]	41
Law on Japan's Self-Defense Forces Condemned [KCNA]	41
Choe Meets LPA General Political Delegation [KCNA]	42
Kim Chong-il Thanks People for Condolences [Pyongyang Radio]	42
'Full Text' of Message Published [KCNA]	43
'Singlehearted Unity' Stressed [KCNA]	44
Officials Hold Meetings on Message [KCNA]	44
State Functionary Comments [Pyongyang Radio]	45
Kim Chong-il Sends Thanks to Exemplary Workers [KCNA]	46
Article Hails Kim Chong-il's Leadership [NODONG SINMUN 19 Sep]	46
Kim Chong-il Inspects King Tangun Tomb 29 Oct [KCNA]	49
Praises Merits of Builders [Pyongyang Radio]	50
Accomplishing Cause of Chuche Revolution Urged [KCNA]	51

## South Korea

South 'Expects To Be Paid Back' for Reactors [YONHAP]	51
Han Defends Seoul's Plan To Pay for Reactors [YONHAP]	52
Plans Underway To Set Up KEDO's Main Office [Seoul Radio]	52
Han Lists Countries To Join Reactor Project [KYONGHYANG SINMUN 30 Oct]	52
Cost for North's Light-Water Reactor Viewed [KYONGHYANG SINMUN 31 Oct]	52
Government 'To Modify' Policy Toward DPRK [TONG-A ILBO 29 Oct]	53
Kim Chong-il's Message Said Prelude to Succession [CHUNGANG ILBO 30 Oct]	54
Exiled Officials Urge Kim Chong-il To Quit [THE KOREA HERALD 29 Oct]	54
Han: French Doctors Assess Kim Chong-il Records [CHUNGANG ILBO 29 Oct]	55
Treatment Shows O Chin-u 'Indispensable Figure' [YONHAP]	55
French Doctor Gives Prognosis [TONG-A ILBO 30 Oct]	55
Theories on Consequences to North [THE KOREA HERALD 30 Oct]	56
Source on ROK Firms Outside of Special Zones [YONHAP]	56
Foreign Minister Han on U.S.-DPRK Agreement [WEEKLY THE KUKCHONG SINMUN 31 Oct]	57



U.S. Reportedly Intensifies Trade Pressure [HANGYORE SINMUN 31 Oct]	59
Foreign Ministry on U.S. Trade Issues Talks [YONHAP]	59
Kim Tae-chung on Discussions With PRC Leaders [YONHAP]	59
Significance of PRC Li Peng's Visit Analyzed [YONHAP]	60
Planned Visit Itinerary Outlined [TONG-A ILBO 31 Oct]	60
PRC Premier Li Peng Arrives in Seoul 31 Oct [YONHAP]	61
Meets Privately With President [YONHAP]	61
Discusses DPRK, Economic Ties [Seoul Radio]	62
Discussion Said 'Beneficial' [YONHAP]	62
Witnesses Aviation, Atomic Accords [Seoul Radio]	62
Gives Speech at Dinner Banquet [YONHAP]	63
Consequences of Estrangement With Taiwan Viewed [THE KOREA HERALD 30 Oct]	63
Finnish Prime Minister Aho Continues Visit	65
Discusses Direct Air Route [YONHAP]	65
Views N-S Mediation Role, WTO [THE KOREA HERALD 30 Oct]	65
Prime, Unification Ministers on Domestic Issues [YONHAP]	65
BOK Notes Current Account Balance Deficits [THE KOREA HERALD 30 Oct]	66

## SOUTHEAST ASIA

### Burma

Khin Nyunt Meets With Aung San Suu Kyi [Rangoon Radio]	68
NCGUB Prime Minister Views Meeting [Oslo DVOB]	68
BBC Interviews NCGUB Minister	68

### Brunei, Malaysia & Singapore

#### Malaysia

Minister on Plan To Withdraw Troops From Somalia [Kuala Lumpur International]	69
Banned Al-Arqam Leader, Followers Released [Kuala Lumpur Radio]	69
Ashaari Granted Freedom of Movement [Kuala Lumpur Radio]	69
Ashaari Repudiates Movement [Kuala Lumpur Radio]	69
Treasury Report on 1994-95 Budget Issued [Kuala Lumpur International]	69

#### Cambodia

Government Widens Search for Western Hostages [AFP]	70
KR Radio on Gareth Evans' Comments on Hostages [Radio PGNUNS]	71
Commentary Hails Agreement on U.S. Economic Aid [Phnom Penh Radio]	71
U.S., France, Australia Warned To End 'Aggression' [Radio PGNUNS]	72
Ranariddh Says KR Policy Program Unacceptable [Phnom Penh Radio]	73
Former FUNCINPEC Members Urged To Fight [Radio PGNUNS]	74

#### Indonesia

Jakarta Opposes Referendum on E. Timor Status [Jakarta Radio]	74
Timor Commander Views Rebel Strength, Situation [ANTARA]	75
Navy Says Exercise Unrelated to Islands Dispute [ANTARA]	75
Achievements at South China Sea Meeting Lauded [Jakarta Radio]	75
Daily Discusses APEC Role in 'Democratization' [THE INDONESIA TIMES 24 Oct]	76

#### Laos

Minister Views POW Progress With U.S. Commander [Vientiane Radio]	76
PRC Party Delegation Arrives for Goodwill Visit [KPL]	76
Group of 100 Refugees Repatriated From China [Vientiane Radio]	77
Thai Princess Sirinthon Arrives for Visit [Vientiane Radio]	77
Princess Meets President [Vientiane Radio]	77
Increase in Foreign Loans, Assistance Outlined [Vientiane Radio]	77
Ministry To Issue Permits for Foreign Workers [KPL]	78



## Philippines

China Protests Presence at Taiwan Celebrations [KYODO] .....	78
Diplomatic Protest Filed Against Saudi Arabia [Quezon City Radio-TV] .....	78
Communist Chief's 'Belligerency' Criticized [MALAYA 27 Oct] .....	78

## Thailand

U.S. Seeks Approval for Floating Arms Stockpile [MATICHON 30 Oct] .....	79
Minister Comments on U.S. Request [THE NATION 31 Oct] .....	79
Country Insists on APEC Free Trade by 2010 [BANGKOK POST 29 Oct] .....	80
'Source' Says No Time Frame Specified [BANGKOK POST 29 Oct] .....	81
Coup Suspects Arrive From Cambodia 28 Oct [Bangkok TV] .....	81
Chuan Admits Thai Role in Failed Cambodian Coup [BANGKOK POST 31 Oct] .....	81
Government Urged To Clear 'Doubts' About Coup [THE SUNDAY NATION 30 Oct] .....	82
Editorials Comment on Recent Cabinet Reshuffle [THAI RAT 29 Oct, etc.] .....	83

## Vietnam

PRC President Jiang Zemin To Visit 19-22 Nov [VNA] .....	83
Prime Minister Meets Germany's Siemens Chairman [VNA] .....	83
Vo Van Kiet Receives Indian Communist Leader [VNA] .....	84
Foreign Minister Interviewed on UN Activities [Hanoi Radio] .....	84
Foreign Minister's Visit to Luxembourg Noted [VNA] .....	85
Japanese Economic Delegation Concludes Visit [VNA] .....	86
Further on National Assembly Proceedings .....	86
27 Oct Afternoon Activities [Hanoi Radio] .....	86
28 Oct Proceedings Reported [Hanoi Radio] .....	87
Assembly Holds Elections 29 Oct [Hanoi Radio] .....	87
Assembly Issues Communique No. 8 [Hanoi Radio] .....	87
Communique No. 9 Issued [Hanoi Radio] .....	88

## AUSTRALASIA

### Australia

Team Leaves for Haiti To Assist UN Program [Melbourne International] .....	90
Trade Minister Warns China on Wool Imports [Melbourne International] .....	90

### Papua New Guinea

New Zealand Foreign Minister Visits Bougainville [Melbourne International] .....	90
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### Solomon Islands

Prime Minister Said To Resign; Parliament Meets [Melbourne International] .....	90
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### **Declaration of Jakarta APEC Summit Discussed**

*OW2910123094 Tokyo NIHON KEIZAI in Japanese  
28 Oct 94 Morning Edition p 1*

[FBIS Translated Text] An informal Asia-Pacific Economic Cooperation (APEC) summit scheduled to be held in Indonesia on 15 November will adopt a "declaration on the liberalization of trade and investment," the outline of which has come to light. The declaration calls for creating an arbitration mechanism to resolve frictions arising from trade and investment among nations in the Asia-Pacific region and Japan-U.S. economic friction. APEC will study arbitration mechanisms under which frictions are arbitrated by disinterested nations. The declaration also stresses the need to coordinate the existing standards and certification that differ from country to country in the region. APEC intends to unify the standards and certification for three items, including consumer electric appliances. Malaysia is against making mandatory the liberalization of trade, which is expected to be placed high on the summit's agenda. Therefore, the declaration calls for complete trade liberalization by 2020.

The summit will be held in Bogor in the suburbs of Jakarta and the declaration will be called the "Bogor Declaration." Indonesian President Suharto will take charge of drafting the declaration since he is to chair the summit. Now that the goal of trade liberalization is to be set in the declaration, APEC will take a major step toward turning itself from a loose consultative regional body to a regional body with specific trade goals and agreements.

Commenting on regional trade liberalization on 27 October, a top Foreign Ministry official said: "Japan supports it in principle." Malaysia is against making trade liberalization mandatory and final coordination will be made in the direction of not forcing APEC members to liberalize trade. The declaration also stresses the need to develop medium and small businesses as well as human resources and cooperate in the environmental field in addition to the creation of the arbitration mechanism.

APEC will study arbitration mechanisms on the basis of a World Trade Organization (WTO) accord that will take effect next year and rules on trade liberalization to be adopted at an APEC ministerial meeting next month. APEC wants to have its own arbitration mechanism because the WTO's arbitration body excludes trade frictions and the WTO's procedures for filing for arbitration are too stringent. APEC aims for a quick settlement to frictions among member nations with its own arbitration mechanism before they take their cases to the WTO. APEC will study ways to have frictions among member nations arbitrated as quickly as possible by letting disinterested nations elected by member nations arbitrate proposals and set up an arbitration committee (panel).

The stalemated Japan-U.S. economic framework talks have resulted in a strong yen and a weak dollar. Bilateral

negotiations between Japan and the United States will have a great effect on the world economy. In the Asia-Pacific region, bilateral frictions are expected to occur more frequently than ever in the future as trade will be expanded and investment will be made briskly in the region. APEC aims to keep those frictions from intensifying by creating the arbitration mechanism under which the frictions are arbitrated on the basis of multilateralism, not bilateralism.

The standards and certification used to ensure the safety, quality, and inspection of manufactured goods differ from country to country and region to region. They may become a factor impeding intraregion trade. Therefore, APEC aims for smooth intraregion trade by working to coordinate a wide range of standards and certification in the region.

APEC will also work to set unified regional standards and certification, taking into account international standards and certification laid down by the International Standardization Organization (ISO) after the declaration is released at the end of the summit. APEC will choose set unified standards and certification for three items, including consumer electric appliances, that are traded within the region in large quantity. In the future, APEC will increase the number of items subject to the unified regional standards and certification. If trade barriers erected by divergent standards and certification in the region are removed, the result would be an increase in the export of manufactured goods by the rest of the APEC member nations to Japan.

### **Japanese, PRC, ROK Mayors Meet for Friendship**

*OW2510133094 Tokyo KYODO in English 1157 GMT  
25 Oct 94*

[FBIS Transcribed Text] Yonago, Japan, Oct. 25 KYODO—Five Japanese, Chinese and South Korean cities facing on the Sea of Japan pledged Tuesday [25 October] to promote mutual friendship as their mayors and researchers gathered in Yonago, Tottori Prefecture, in western Japan.

Mayors from Yonago and Sakaiminato in the prefecture, Hunchun in China's Jilin Province, and Sokcho and Tonghae in South Korea's Kangwon Province attended the forum sponsored by the Tottori Prefectural Government.

Wang Shengjin, a professor at Jilin University, told the meeting that regions along the Sea of Japan should foster relations through setting up new shipping lines and establishing an organization to jointly carry out comprehensive research on industry, trade, transport and culture in the regions.

Hunchun Mayor Jin Minxiong urged Sakaiminato port to introduce regular liners to China and South Korea.



Sokcho Mayor Han Sang-chol asked for the fostering of personnel exchange and Tonghae Mayor Cho Won-hyok proposed the mutual setting up of trade offices.

The mayors agreed to convene the forum on a regular basis and to ask North Korean and Russian cities to participate.

#### **NGO's Seek To Foster Ties on Asia, Africa Aid**

*OW2210134694 Tokyo KYODO in English 1123 GMT 22 Oct 94*

[FBIS Transcribed Text] Okayama, Japan, Oct. 22 KYODO—Nongovernmental Organizations (NGOs) from 33 countries announced Saturday [22 October] that they will set up an international NGO network to boost cooperation in helping developing nations in Asia and Africa.

During two days of debates at the '94 NGO Forum for International Contributions held in Okayama, western Japan, NGO representatives agreed they should promote exchange of information and experiences to expedite relief activities, forum officials said.

The NGO officials will hold satellite meetings from Sunday in other Japanese cities including Hiroshima, Tokushima and Okinawa as well as a concluding meeting in Tokyo to discuss the details of the planned network, they said.

By forming such a network, it may become easier for overseas NGOs to get financial assistance from Japan's Foreign Ministry, said Shigeru Suganami, head of the Okayama-based Association of Medical Doctors of Asia, the organizer of the forum.

#### **Tokyo International Environment Forum Concludes**

*OW2610135694 Tokyo KYODO in English 1240 GMT 26 Oct 94*

[FBIS Transcribed Text] Tokyo, Oct. 26 KYODO—An international conference in Tokyo on the global environment wound up three days of discussions Wednesday [26 October] with a declaration proposing measures to finance environmental protection.

The declaration also urged Japan to take the leadership in promoting the networking of governments and nongovernmental organizations (NGOs) to protect the environment and sponsor a "global partnership summit" before a special UN General Assembly on the environment is held in 1997. The world should take drastic

measures to finance environmental protection in developing countries, the declaration said.

Such measures may include a system carried out in parts of the United States whereby companies trade the right to emit polluting substances, as well as the imposition of fees on users of forests, it said. A halt to subsidizing those who consume fossil fuel or cut down forests would help the funding mechanisms, the document said.

Japanese Finance Minister Masayoshi Takemura told the forum Wednesday that he personally supports the idea that Japan should introduce an environmental tax.

The forum preceding the 1997 special UN General Assembly was designed as a follow-up to the eminent persons' meeting on financing the global environment and development, held in Tokyo in April 1992, two months before the UN-sponsored Earth Summit in Rio de Janeiro, Brazil. The meeting, with some 30 experts from overseas taking part, was backed by former Japanese Prime Ministers Toshiki Kaifu and Noboru Takeshita, as well as Gaishi Hiraiwa, former chairman of the Federation of Economic Organizations (Keidanren).

#### **Philippines' Ramos Addresses Energy Conference**

*BK2710050394 Quezon City Radio Filipinas in English 0230 GMT 27 Oct 94*

[FBIS Transcribed Text] President Fidel V. Ramos on Wednesday [26 October] said the Philippines is preparing to develop a natural gas industry following the discovery of a huge gas deposits in the Philippines. The president said in his speech at the Seventh International Conference on the Energy Section of the Law Association for Asia and Pacific Region at the Shangri-la Hotel in Makati, and recently, and I quote, we also completed the appraisal of the Philippines' first major national gas discovery which has the potential of displacing substantial volumes of coal and oil for power generation, unquote. [sentence as heard]

He said that large-scale use of natural gas requires transport infrastructure including domestic and international pipeline such as those envisioned for Trans Asia natural gas pipeline project. Mr. Ramos said projects such as these offer excellent opportunities for synergy, as they will link countries with excess natural gas with those who are net energy importers. He said that energy cooperation in the region will ensure continuous supply by distributing excess power to countries which need it. He said indeed there is a vast potential for energy cooperation in the region not only because of possible synergies in energy supply and demand but also because of the diversity of economies in the Asia-Pacific where annual capital incomes range from a low of \$530 to a high of \$24,000.



## Further on Workshop on South China Sea Issue

### Participants Make 'Little Headway'

BK3010105294 Singapore *THE STRAITS TIMES* in English 29 Oct 94 p 19

[Report by Simon Sinaga in Bukittinggi]

[FBIS Transcribed Text] The fifth workshop on the South China Sea made little headway on reaching consensus on confidence-building measures but came up yesterday with a cautious step forward to raise the level of joint activities.

Participants were earlier unenthusiastic about government involvement in projects but softened their positions at the end of the three-day workshop in this highland town.

"It is premature to consider institutionalising or formalising workshop process, however, the implementation of agreed project proposals might require participation of official government agencies," a workshop statement said.

The statement also noted that participants admitted the need to invite major countries and regional or international organisations outside the South China Sea region to participate in certain projects.

Workshop co-chairman Hasyim Jalal of Indonesia told a news conference that participants differed on the issue of confidence-building measures: "It is a delicate issue on which we could not reach consensus," he said.

Participants said that Taiwanese and Chinese delegates had put roadblocks on the discussion of the non-expansion of military presence in the South China Sea region.

Mr Fu Kuen-chen of the National Taiwan University dismissed the workshop as an improper forum to discuss such issues and said that the informal meeting should devote more attention to designing projects.

Participants from China were said to have demanded that discussion of confidence-building measures be dropped from the workshop agenda.

Along with Malaysia, the Philippines, Brunei and Vietnam, China and Taiwan claimed wholly or in part the Spratly and Paracel chains of islands, islets and atolls in the South China Sea.

The seabed of the islands' adjacent waters is believed to be rich in oil and gas. The South China Sea is seen as a potential flash point in the Asian region.

Mr Jalal said that it would take a long process to encourage countries surrounding the South China Sea to work together to solve disputes because "the countries had more experiences of conflicts than co-operation".

Mr Jalal said that the workshop had endorsed the implementation of biodiversity studies and that it was close to finalising more marine projects. He added that participants agreed to convene a sixth workshop next year.

### Workshop Ends; Resolutions Adopted

BK2910104094 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 28 Oct 94

[FBIS Translated Text] The fifth workshop on the South China Sea entitled: "Managing Potential Conflicts in the South China Sea," which began in Bukittinggi on 26 October, ended today after adopting several resolutions. Speaking at a press conference in Bukittinggi, Hasyim Jalal, chairman of the organizing committee, said one of the resolutions called for a reduction of any military presence in the disputed areas so as to avert the outbreak of hostilities.

Participants in the workshop also agreed to cooperate on the law of the sea, fisheries, oil and gas as well as nonoil and nongas exploitation. Thailand, Indonesia, and the Philippines have been appointed as coordinators for fisheries, oil and gas exploitation, and nonoil and nongas exploitation respectively.

Hasyim Jalal said the workshop had not yet agreed on the establishment of a joint secretariat. Anasul, Bukittinggi-based Radio Republik Indonesia correspondent, reported that the three-day workshop was attended by 11 countries, including the PRC, the Philippines, Vietnam, and Thailand, with Indonesia as the host.



**Japan****Kantor, Brown Write Letter on Auto Parts Sector***OW2910010894 Tokyo KYODO in English 0059 GMT 29 Oct 94*

[FBIS Transcribed Text] Washington, Oct. 28 KYODO—Two senior U.S. officials told Japan this week that the United States may consider the increase of auto parts purchases by Japan outside the framework of “framework trade talks” between the two countries, diplomatic sources said Friday.

The sources said U.S. Trade Representative Mickey Kantor and Commerce Secretary Ron Brown conveyed the U.S. position in a joint letter to Japan’s International Trade and Industry Minister Ryutaro Hashimoto dated Oct. 25.

While stressing that the framework talks must address all outstanding issues on autos and auto parts trade, the letter said commitments by Japanese automakers to make increased foreign parts purchases “may not be technically connected to the framework talks.”

The “framework” talks, launched under a bilateral accord concluded in July last year, require that the two countries set up “objective criteria” to monitor and measure progress of openness in autos and several other market sectors in Japan.

The sources said Kantor and Brown sent the letter in response to a letter dated Oct. 14 from Hashimoto in which the Japanese trade minister argued that the issue of voluntary plans in the automotive sector “is beyond the responsibility” of government.

In their joint letter, Kantor and Brown also warned that a “difficult situation” may emerge if the two countries fail to reach an agreement on flat glass trade by the end of this month.

**‘Another Round’ of Framework Talks Completed***OW2810235394 Tokyo KYODO in English 2327 GMT 28 Oct 94*

[FBIS Transcribed Text] Washington, Oct. 28 KYODO—Japan and the United States concluded yet another round of trade talks on access to Japan’s financial markets, with Japanese officials reporting a greater eagerness from each side to understand the other’s position.

The officials, briefing reporters on the two-day working-level meeting, would not say whether or not they are any closer to a breakthrough but indicated that Japan is willing to strike a deal—in due course.

The U.S. has indicated that it wants to wrap up the financial service talks before the end of the year, but Japanese officials said Japan will not be bound by deadlines.

“We’re against deadlines, and I believe the Americans understand our position,” a Japanese Finance Ministry official said.

While the Japanese negotiators appeared to be biding their time, U.S. Treasury Secretary Lloyd Bentsen, in an unprecedented move, underscored the importance the U.S. attaches to the trade talks in financial services by making a brief personal appearance during the opening negotiating session Thursday [27 October] morning.

Apart from a pep talk on the importance of the trade talks, Bentsen also made a point of shaking hands with all the principal members of the Japanese delegation led by Isao Kubota, deputy chief of the Finance Ministry’s International Finance Bureau, Japanese officials said.

While declining to divulge the status of the talks, Japanese officials indicated that the two sides have come to a stage in their 13-month-old negotiations when they no longer simply talk about their own position.

“There appeared to be greater patience to listen to each other’s position. I believe we now have a better understanding of each other’s views,” a Japanese negotiation source said.

The main stumbling block appeared to center on U.S. demands for improved foreign access to the management of Japan’s trillion dollar pension market.

“That was the area which took most of our (negotiation) time,” the source said.

Apart from the pension funds market, the U.S. has also called on Japan to ease regulations on the operation of foreign mutual funds in Japan and reduce capital controls, which U.S. officials say limit foreign access to Japan’s financial markets.

Japanese officials said the two sides agreed to have another round of talks next month, with the date and venue to be decided later.

The negotiations on financial services, which began in September last year, are part of the framework trade talks established between the two countries in July last year.

Senior U.S. Treasury officials have said the U.S. may deny most-favored-nation status on trade in financial services to Japan if the Japanese do not open up markets to U.S. firms.

**Tokyo To Settle Glass Talks***OW3110064094 Tokyo KYODO in English 0625 GMT 31 Oct 94*

[FBIS Transcribed Text] Tokyo, Oct. 31 KYODO—Japan aims to settle glass trade talks with the United States by the deadline at the end of Monday [31 October], a senior Japanese trade ministry official said Monday.



"I hope both parties will wrap up talks even if discussion is extended into the small hours of Tuesday," Hideaki Kumano, vice minister for international trade and industry, told a news conference.

"With negotiators doing their utmost, talks are advancing bit by bit," Kumano said.

Talks on foreign access to Japan's flat glass market were originally set for three days to last Friday. But the two countries failed to come up with any accords even after the unscheduled two-day talks Saturday and Sunday.

Tokyo and Washington are working here on detailed measures on ways to facilitate foreign-made glass sales in this country in line with the Oct. 1 "framework" agreement, which set the deadline at Oct. 31.

At stake is "objective criteria" as an instrument to gauge the extent of the Japanese market's openness.

The U.S. side is reportedly pushing for the use of such criteria for the volume of foreign-made glass sales in Japan and the number of wholesalers handling foreign products.

Tokyo has been also asked to revise the rules so that specialty glass like "safety" glass, a domain of U.S. makers, will be obligatory in certain cases.

The Japanese glass market is dominated by a few domestic makers, which have formed exclusive sales contracts with most of Japan's 400 wholesalers, a situation prompting the U.S. claim that Japan's market is closed.

#### **Government To Survey Price Differentials**

*OW2910133494 Tokyo NIHON KEIZAI SHIMBUN in Japanese 29 Oct 94 Morning Edition p 1*

[FBIS Translated Text] Officials in charge of price matters in government ministries and agencies met on the morning of 28 October to decide that all government ministries and agencies will participate in a survey on price differentials between Japan and other industrial nations. The survey will cover not only the prices of consumer goods, but the prices of such intermediate goods as steel and wooden products, housing construction costs, and taxi and cellular phone fees in the service sector. At the meeting, the officials also agreed to survey the differences between Japan and other industrial nations in the cost structure and system, which is believed to have given rise to the price differentials. The government will make public the survey results.

At a 28 October news conference held shortly after a cabinet meeting, Masahiko Komura, Economic Planning Agency director general, said: "If unreasonable regulations are found as a result of the survey, the government will abolish them." In this way, he indicated that the government will take necessary deregulatory steps after examining the survey results.

#### **U.S. Businesses List Market-Opening Demands**

*OW2910143094 Tokyo NIHON KEIZAI SHIMBUN in Japanese 29 Oct 94 Morning Edition p 1*

[FBIS Translated Text] As part of the Japan-U.S. framework trade talks, a meeting of Japanese and U.S. Government officials is scheduled for mid-November to discuss measures to promote deregulation and competition in Japan. In the run-up to this meeting, U.S. companies have compiled a list of market-opening demands targeting Japan's 18 industrial sectors. The list includes a demand to strengthen monitoring of the management of Nippon Telegraph and Telephone Corporation (NTT), which virtually monopolizes Japan's local telephone market. In the transport and cargo sector, it requests a drop in landing fees at Kansai International Airport. The list is targeting sectors in which Japanese consumers have great interest. It is expected that in the framework talks, Washington will ask Tokyo to incorporate the demands in the "five-year deregulation plan" the Japanese Government is to compile before the end of the year.

The American Chamber of Commerce in Japan, which has an influential role in U.S. trade policy toward Japan, prepared the list after hearing opinions of member companies. According to a U.S. diplomatic source in Tokyo, Washington will use the list as a virtual draft of its list of demands to be presented to Japan in deregulation and competition talks.

In response to criticism at home and abroad that the United States has made unproductive "theological arguments" over objective criteria in the framework talks, the U.S. Government has begun a shift toward a trade strategy of making demands beneficial to Japanese consumers, such as deregulation and the adoption of policies to promote competition. As regards the list of market-opening demands compiled by U.S. businesses, the same diplomatic source stressed: "It is beneficial not only to U.S. companies but also to Japanese consumers because it will help narrow the price gap on goods between Japan and abroad, which will lead to the improvement of living standards in Japan." As he said, the list includes demands conforming to Japanese public opinion.

The list's main feature is the demand for strengthening the monitoring of NTT's virtual monopoly. It appears the demand is part of preparations for talks to review NTT's management, which will resume next fiscal year. It also suggests that U.S. companies are interested in promoting competition in Japan's local telephone market through nurturing forces capable of competing with NTT, and in separating NTT's long-distance telephone service section from its local telephone service section. The demand is likely to affect talks on NTT management.

Liberalizing connections of NTT's public phone service circuits with special circuits used by private companies was called for in a package of deregulatory measures the



government compiled in July. However, because Tokyo has not made clear when to liberalize, the United States will likely renew its call for early liberalization. Washington has also demanded the abolition of the system of selling telephone subscription rights.

In the transport and cargo sector, the list requests lowering landing fees at Kansai International Airport. This request seems to be based on the thinking that high landing fees will lead to high air cargo charges, thus becoming an obstacle to business activities in Japan. It is likely to win support from Japanese people because many think high landing fees will cause the "hollowing-out" of Japan's airports.

In the distribution sector, the list calls for more postal charge discounts for frequent users and toll-free calls to popularize telephone shopping. These demands will be accepted by Japanese consumers. In the monetary sector, it calls for liberalizing the entry of investment advisers into the pension business field.

#### **Hashimoto Asks ACCJ's Opinions on Deregulation**

*OW3110044494 Tokyo KYODO in English 0352 GMT 31 Oct 94*

[FBIS Transcribed Text] Tokyo, Oct. 31 KYODO—International Trade and Industry Minister Ryutaro Hashimoto called on the American Chamber of Commerce in Japan (ACCJ) on Monday [31 October] to offer recommendations and requests on Japan's five-year deregulation package, government officials said.

The officials quoted Hashimoto as saying Japan is ready to receive "constructive" American opinions on Japanese deregulation measures.

Hashimoto received a courtesy call from ACCJ leaders, including its president Tom Jordan, at his office.

Hashimoto asked the ACCJ to convey opinions, requests and complaints to a government working group to be set up on Nov. 21 as a way to promote foreign investment in Japan, the officials said.

Jordan told Hashimoto the ACCJ has an interest in Japan's efforts to relax government control on rules and regulations, saying the chamber will offer proposals and support the efforts "in a constructive manner."

The Administrative Reform Promotion Headquarters, a government body, will craft the deregulatory package by the end of this fiscal year in line with a 279-item package of recommendations released in June.

#### **Engineering Firms Increase Foreign Procurement**

*952A0085A Tokyo NIHON KEIZAI SHIMBUN in Japanese 6 Oct 94 p 13*

[By Nobuhiro Tanji, Industry Desk]

[FBIS Translated Text] Three firms specializing in engineering, including JGC Corp. and Chiyoda Corp., have begun to create systems which will enable 100-percent overseas procurement of materials, including local or third country procurement for plant construction abroad. Different from engineering divisions of shipbuilding or heavy machinery manufacturers, it is a procurement strategy that makes use of the lightness of not having a manufacturing division. In addition to it being difficult to get a profit by procurement from within Japan due to the rooting of the high yen, it shows that price competitiveness is a big deciding factor in receipt of orders and it seems that this trend also will continue in the future.

Chiyoda Corp. newly established a General Procurement Department within its divisions in September and has unified the procurement interface. The procurement operations undertaken for each Middle East or Southeast Asian project is tied to cost reductions by lump orders issued for each material or machine such as engineering, electrical, or instrumentation apparatus.

In addition, the plan is to double within one year the locally hired staff at overseas procurement bases in London, Houston, Milan, and Seoul to a total of 100 people. The company has transactions with 11,000 companies at home and abroad, and 6,000 or 7,000 of these are foreign manufacturers. It is already putting purchase information on a data base, but the actual situation is that "it is difficult to manage reliability such as quality and delivery control and the propriety of the transaction price" (Kazuo Nakamura, division deputy manager). The aim is to make this efficient by making use of locally hired staff who are knowledgeable in the technical information and transaction customs of foreign manufacturers.

The overseas procurement rate of machinery and materials, which account for over 50 percent of construction costs, is quickly reaching over 80 percent in the first term as opposed to the goal of 70 percent this fiscal year. In the future, the company additionally will make use of the new system and is thinking of strengthening negotiating power to stock up cheaply.

President Masaaki Kashiwara says, "100 percent overseas procurement is strictly an ideological number. There have been businessmen among domestic manufacturers who can transact at international prices. It is necessary to prepare a transaction system which enables overseas procurement in almost all machinery and materials to maintain price competitiveness." For this purpose, they have made their position clear that "if prices are equal, we will purchase from the foreign manufacturer" (deputy manager Nakamura).

It is JGC which has become the vanguard in strengthening overseas procurement. Its ordinary profit in fiscal 1993 was 33.8 billion yen, a 93.8-percent increase over the previous term. The company achieved a 10-percent ordinary profit rate in sales while export industries had a



decreased profit settlement of accounts across the board. Prospects are that they will secure a profit rate of 7.5 percent this term also.

JGC had slipped into a sales deficit for four consecutive terms starting in fiscal 1986 due to the high yen slump. However, they quickly established a new International Procurement Department in July of the same year. They boosted the amount of overseas procurement which had been no more than 8 billion yen to 73 billion yen in fiscal 1991. "The important placement of excellent young employees in the conservative procurement departments compared to the overseas sales or design divisions" (managing director Yoshio Kosugi) produced results.

In the "EXOR-1" Refinery for export to Indonesia, which began test operation this spring, they ordered the world's largest residual catalytic cracking equipment (RCC) that cracks residual oil after oil refining from Hyundai Heavy Industries of South Korea. They also procured major machinery such as the heavy oil distillation tower, heat exchangers, and compressors from the Netherlands, Spain, Germany, Italy, Britain, and Indonesia, and the lineup of companies where they placed orders was colorful.

Toyo Engineering also established a procurement division last year and will boost overseas procurement in fiscal 1995 to 70 percent. It was only 56 percent in fiscal 1993, but the order price received for plants dropped due to intensified competition and, viewing the expansion of overseas procurement as indispensable for securing a profit, it has hastened provision of a system.

According to the plant export record compiled by the Ministry of International Trade and Industry, there was a 12.9-percent decrease over the previous fiscal year at \$10.27 billion in fiscal 1993. Adding the amount of local or third-country procurement, however, the contracted amount for Japanese engineering companies exceeded the previous fiscal year at \$15.19 billion. The overseas procurement portion doubled from \$2.79 billion in fiscal 1992 to \$4.92 billion in fiscal 1993, and has quickly expanded in percentage from 19.1 percent to 32.4 percent.

As opposed to the overseas procurement rate of heavy machinery manufacturer plant divisions which have been shackled by use of the company's own products and remain at the 30 percent level, the moves of the big specialty business companies stand out. It seems that overseas procurement by engineering companies is proceeding further in the form of being pulled by the specialty businesses.

#### **Hiraiwa Urges Fuller Japan-U.S. Cooperation**

*OW3110033794 Tokyo KYODO in English 0224 GMT 31 Oct 94*

[FBIS Transcribed Text] Tokyo, Oct. 31 KYODO—Japanese and U.S. industry and academia should cooperate more fully, senior Japanese business leader Gaishi Hiraiwa said Monday [31 October].

"With technological innovation and internationalization, global interdependence will become more important than ever," the honorary chairman of the Federation of Economic Organizations (Keidanren) told a bilateral workshop.

"Not only putting priority on competition, it is important to have rules on how best to harmonize," Hiraiwa said, urging cooperation among governments, business and universities of the two countries.

Some 20 people participated in the first day of the two-day "Japan-U.S. Business-University Relations Workshop," sponsored by the Business-University Forum of Japan.

The first day was devoted to the current state of industry-academic cooperation in the two countries, with Tuesday's session to divide into discussions of such areas as the role of scholars and new fields of study.

#### **Civair Talks With U.S. 'Likely' by Year-End**

*OW3110075194 Tokyo KYODO in English 0724 GMT 31 Oct 94*

[FBIS Transcribed Text] Tokyo, Oct. 31 KYODO—Japan and the United States are likely to resume deadlocked aviation talks by the end of this year, Vice Transport Minister Michihiko Matsuo said Monday [31 October].

The talks have been deadlocked since August last year over a U.S. refusal to allow Japan Airlines to inaugurate a new route between Honolulu and Sendai, northern Japan.

The U.S. decision last week to approve the new route has cleared a major obstacle separating the two sides, and there is no reason for Japan to decline a U.S. proposal to resume the talks by the end of this year if a mutually satisfactory schedule is worked out, Matsuo said.

Washington reportedly is hoping to resume the negotiations as early as possible because of a standing request by American and Delta Airlines to fly to Kansai International Airport, which was opened Sept. 4, ministry sources said.

The U.S. airlines' request, and Japan's demand for removal of U.S. restrictions on rights for Japanese airlines, will be major topics for discussion at forthcoming negotiations, Matsuo said.

He said Japan will insist on rights for Japanese airlines but engage in negotiations in a manner not to undermine the friendly relations between the two countries.

#### **Murayama on Need for U.S. Security Agreement**

*OW3010020894 Tokyo KYODO in English 0158 GMT 30 Oct 94*

[FBIS Transcribed Text] Tokyo, Oct. 30 KYODO—Prime Minister Tomiichi Murayama on Sunday [30



October] stressed the importance of Japan maintaining its defense capabilities and adhering to its security agreement with the United States in the face of unresolved international issues confronting Japan.

Murayama became the first socialist prime minister to inspect the Self-Defense Forces at the annual review at the Ground SDF base in Asaka, Saitama Prefecture, just north of Tokyo.

Delivering a speech to the troops, he said, "We want to remain consistent to the fundamental thinking of adhering to the Japan-U.S. security arrangement and maintaining our current defense capabilities."

Until becoming part of the ruling coalition with the Liberal Democratic Party early this summer, the Social Democratic Party, which Murayama heads, has traditionally been opposed to the Japanese military and Japan's security ties with the U.S.

Murayama said that there has been an international trend toward the increasing danger of regional disputes and with nations in the region strengthening and modernizing their defense capabilities.

He said that a number of regional issues, including the situation on the Korean peninsula, the territorial dispute with Russia over the islands off Hokkaido, and the Spratly Islands in Southeast Asia remain unresolved.

Regarding Japan's contributions to international stability, Murayama said the Japanese military would not take part in any actions prohibited by the Constitution.

He added, however, "We want to play a more responsible role in the resolution of international problems of a global scale by cooperating positively with United Nations peacekeeping operations."

Some 4,400 members of the Ground, Maritime and Air SDF took part in Sunday's 42nd review of the troops and military hardware.

### **Retirement Money To Fund U.S. Military Costs**

*OW3010081794 Tokyo KYODO in English 0805 GMT 30 Oct 94*

[FBIS Transcribed Text] Tokyo, Oct. 30 KYODO—The Defense Agency will fund some of the costs of U.S. military forces in Japan by savings on retirement money for Japan's defense personnel, senior agency sources said Sunday [30 October].

In the 1995 fiscal year beginning next April, the retirement age of some Self-Defense Forces (SDF) officers will be extended for a year to save more than 10 billion yen in retirement money, the sources said.

The new retirement age for colonels of the Ground Self-Defense Force (GSDF) and Air Self-Defense Force (ASDF) and captains of the Maritime Self-Defense Force (MSDF) will be 56. That for lieutenant colonels and

majors of the GSDF and the ASDF, as well as commanders and lieutenant commanders of the MSDF, will be 55.

Under an accord with the United States, Japan is to shoulder all the costs of maintaining U.S. military bases, mainly wages of Japanese base workers, starting in the next fiscal year.

But the agency has sought fiscal 1995 budget allocations of only 11.8 billion yen, or about half the required 24.3 billion yen, due to a scant 0.9 percent increase allowed in Japan's overall defense budget for the coming year.

The agency will also help make up the 12.5 billion yen shortage by taking advantage of cheaper import costs arising from the higher yen and by cutting down on goods procurement costs, they said.

### **Committee To Re-Examine UX Aircraft Selection**

*OW2810152694 Tokyo ASAHI SHIMBUN in Japanese 23 Oct 94 Morning Edition p 1*

[FBIS Translated Text] The Defense Agency [DA] has secretly set up a committee comprising nongovernmental intellectuals to re-examine the process of selecting a next-generation multipurpose support aircraft (code named UX), which will be introduced in the Air Self-Defense Force [ASDF]. The DA has made an informal selection but no formal decision has been made yet. The committee plans to compile a report before the end of October. It is unusual for nongovernmental members to participate in the DA's work of choosing aircraft. The DA established the committee in response to criticism at home and abroad that the process of its unofficially selecting the U.S.-made "Gulfstream" aircraft is opaque. It hopes to give the impression that the selection process is transparent. Nevertheless, strict secrecy was maintained in establishing the committee, choosing its members, and deciding on matters for it to discuss.

According to several senior DA officials, the committee is composed of three members: two aeronautical engineering experts and an executive of an aircraft manufacturing company. They meet once a week to promote discussions based on data given by the ASDF's Air Staff Office, which is in charge of selecting the UX.

The members have already met four times since the end of September. They are expected to compile a report before the end of October and submit it to DA Director General Tokuichiro Tamazawa.

The committee has been re-examining the DA's UX aircraft selection process to determine if there were any questionable points. The re-examination has been made by comparing performances, such as cruising range and maintenance fees, of the U.S. Gulfstream, France's Falcon, and Canada's Challenger with ASDF requirements. These three planes are candidates in the selection.



Some experts believe the ASDF was considering a specific airplane when it set out its requirements for UX performances. They claim that the ASDF's required performances are not subject to re-examination. A DA source said: "I think the re-examination will justify the U.S. aircraft's selection."

In 1981, the Diet called into question the DA's choice of a short-range, surface-to-air missile (SAM), and a committee of nongovernmental intellectuals was established to re-examine that selection.

At that time, the plan to establish the committee and the members' names were disclosed. Asked why the DA decided not to disclose this information this time, a senior DA official said: "We wanted to prevent unnecessary pressure from being applied on committee members."

Immediately after the committee compiles a report, the DA will submit it to a conference of four cabinet members: the DA director general, foreign minister, finance minister, and chief cabinet secretary, who are in charge of UX selection. If they agree, the DA will introduce the U.S. aircraft next fiscal year, as originally planned.

The Liberal Democratic Party [LDP] is critical of the way the DA selected the UX. A senior LDP National Defense Division member said: "How can they ensure transparency this way?"

#### **U.S., French Aircraft Recommended for ASDF**

*OW2810135894 Tokyo KYODO in English 1330 GMT  
28 Oct 94*

[FBIS Transcribed Text] Tokyo, Oct. 28 KYODO—A Defense Agency report over the choice of the next-generation, multipurpose military aircraft for the Air Self-Defense Force (ASDF) recommends the Falcon 900 from France along with agency's favorite Gulfstream from the United States, according to the draft of the report obtained Friday [28 October] by KYODO NEWS SERVICE.

The report, compiled secretly by an agency committee including three civilian experts, could further confuse the politically charged process of deciding on the new plane, code-named UX because the agency has already chosen the Gulfstream IV from the U.S.

The agency has consigned a special task force, including three private-sector military experts, to review its decision.

The draft report shows that one of the three private-sector pundits argues that the Falcon is an option while the remaining two recommend the Gulfstream.

Foreign Minister Yohei Kono proposed in a meeting of four cabinet members in charge of the selection that the government buy both the U.S. and French planes, and

Finance Minister Masayoshi Takemura has shown tentative support of the idea, agency sources said.

The report will be presented to a meeting of the four ministers—Defense Agency Director General Tokuichiro Tamazawa, Chief Cabinet Secretary Kozo Igarashi, Kono and Takemura—expected for early November, the sources said.

They have been given a mandate to select the plane, which could be used as a midair command base, for transporting very important persons (VIPs) and supervising military drills.

The Defense Agency plans to allow the views of the experts, whose names were not revealed to avoid marketing drives, to be included in the report as they are.

The agency, however, argues that the final decision should be made by Tamazawa.

The agency reportedly picked the Gulfstream in August over two other candidates, the Falcon and Challenger 601 of Canada.

The selection became an international political issue after the agency's decision on the Gulfstream was reported in August.

French Prime Minister Edouard Balladur sent a letter to Japanese Prime Minister Tomiichi Murayama calling for a fair and transparent selection process, while Canadian Foreign Minister Andre Ouellet is also placing some marketing pressure on the Japanese Government.

The UX, expected to replace the current six-person B-65, is said to cost 3 billion yen per aircraft.

#### **20 Percent Decline Expected in Tariff Revenue**

*OW2910052794 Tokyo NHON KEIZAI SHIMBUN in  
Japanese 28 Oct 94 Morning Edition p 5*

[FBIS Translated Text] A complete implementation of the agreement at the GATT Uruguay Round will reduce Japan's tariff revenue by over 20 percent, the Ministry of Finance [MOF] said in its estimate.

The MOF estimate said, after the year 2001, Japan may lose 200 billion yen [Y], or over 20 percent of its tariff revenue, in FY 1993 (Y880.8 billion), through a complete implementation of the Uruguay Round agreement on drastic tariff cuts. While the estimate does not calculate such unknown factors as import expansion after tariff cuts, it seems quite certain that the MOF will suffer from revenue reductions.

Under the Uruguay Round agreement, GATT member nations are to cut tariffs on farm and mining products by an average of 36 and 33 percent, respectively. To work out the estimate, the MOF has just applied the post-2000 tariff rates to imports reported in FY 1993. The MOF said that this measure has been taken because it is difficult to predict changes in quantitative imports after the full implementation of the agreement.



The MOF said "this is a rough estimate and many ignored factors may affect the figure." However, it added: "In the worst case, Japan's tariff revenue will drop by 25 percent from the present level."

### **Government Urged To Ratify WTO Accord**

*OW2810142694 Tokyo TOKYO SHIMBUN in Japanese 26 Oct 94 Morning Edition p 4*

[Editorial: "Japan Urged To Take Lead in Ratifying WTO Accord"]

[FBIS Translated Text] The inauguration of the World Trade Organization (WTO) in January next year is expected to pave the way in shaping a new global trade regime. However, fears have begun appearing that its inauguration might be put off because of growing concerns over a possible delay in the ratification of an accord on the WTO's establishment by the United States and European nations. Japan should take the lead in ratifying the accord.

Now that a new food law is about to be introduced to the Diet and a set of relevant bills have been drafted, the Diet will soon begin deliberating the accord. We hope that the Diet will speedily ratify the accord without wasting time in unproductive haggling.

It is a matter of course that the Diet will debate individual issues related to the accord. A delay in the WTO's inauguration, scheduled for January next year, would undermine the free trade regime's foundation and adversely affect the world economy, which is presently heading toward recovery. Ratification of the accord is an international commitment and Japan's speedy ratification would provide strong momentum for Europe and the United States to ratify it.

The WTO, which will replace GATT which has long existed in post-war years as a global trade organization, is an international organization mandated to develop the world economy through freer and broader international trade under new rules. The WTO will deal with goods; services in the finance and insurance sectors; and intellectual property rights, including patent rights. If the WTO is inaugurated, international trade disputes, which have so far gone through twists and turns under bilateralism, will be handled under multilateralism.

The new global trade regime is expected to have a positive effect on trade and domestic economies both in industrialized and developing countries and, in particular, Japan will be the biggest beneficiary from it.

Regrettably, European nations and the United States are showing signs of delaying the accord's ratification.

In the United States, the accord is said to be being used as an "instrument of political strife" on the eve of midterm elections. Both houses of Congress have decided to defer the date for votes on bills related to the

accord until after the elections concluding that an early ratification of the accord would give a political boost to the Clinton administration.

A majority of Congressmen are said to favor ratifying the accord in principle, but the outcome of midterm elections will affect the fates of the bills. Under the present situation, it is uncertain whether Congress will ratify the accord by the end of this year.

It will probably take some time for all European Union (EU) members to ratify the accord. While Germany and Britain have completed their domestic procedures for ratifying the accord, many other nations are waiting for a European Court of Justice ruling on whether or not the authority for trade negotiations will revert to the European Commission. The court will hand down its ruling in mid-November.

At any rate, if Japan, the United States, and Europe fail to ratify the accord by the end of this year, it would be difficult to inaugurate the WTO next January as planned. In particular, many nations appear to be intending to ratify the accord while keeping an eye on how the United States deals with it. Therefore, Japan should take the lead in ratifying the accord. This is a great role Japan can play in protecting the free trade regime.

### **Tokyo's Participation in PKF Called 'Premature'**

*OW2810123994 Tokyo KYODO in English 0959 GMT 28 Oct 94*

[FBIS Transcribed Text] Tokyo, Oct. 28 KYODO—Opposition Komeito ruled out Japan's early participation in United Nations Peacekeeping Force (PKF) activities, during its Central Executive Committee meeting Friday [28 October].

The party decided that lifting the freeze on involvement in PKF actions as stipulated in the law regulating the nation's cooperation with UN peacekeeping operations is premature, party officials said.

Komeito also reaffirmed that it will continue to support the government's view that Japan must not take part in a collective security system that entails use of weapons, they said.

Among Komeito's partners in the current opposition coalition, Shinseito [Japan Renewal Party] and the Democratic Socialist Party (DSP) are already tilting toward lifting the ban as part of a scheduled review of the law.

Komeito's reluctance toward involvement in PKF activities could put a snag in policy coordination in the opposition alliance for creating a new party as planned, informed sources said.

Komeito, however, left open the door to future policy shifts over the issue.



The party acknowledges its partners' arguments for reviewing the prohibition and will engage in various discussions on it, the officials said.

### **EU Presents Comprehensive Deregulation List**

*OW2910015794 Tokyo KYODO in English 0130 GMT  
29 Oct 94*

[FBIS Transcribed Text] Brussels, Oct. 29 KYODO—The European Commission on Friday [28 October] presented Japan with a comprehensive list of requests for deregulation for discussion at the upcoming Japan-EU ministerial talks to be held in Tokyo on Nov. 19.

The list covers eight areas such as Japanese Government procurement, telecommunications, agriculture, transport and financial services.

On government procurement, the European Union's Executive Commission calls on Japan to indiscriminately open its government procurement market to foreign companies.

As for financial services, the list urges the easing of regulations on bids by European banks to take over Japanese banks and management of pension funds.

In the field of investment, the European side insists that the antimonopoly and other laws regulating competition be strengthened and more strictly implemented.

It also calls for more access to facilities at the new Tokyo international airport in Narita and expansion of connections to domestic flights from the new Kansai International Airport.

Earlier in the day, before formally submitting the list to Japan, an official of the commission in charge of relations with Japan told reporters that Brussels is particularly concerned about Japan's trade policy which it believes tilts too much toward the United States.

### **PRC N-Tests Said Not Related to Ex-Im Loans**

*OW3110075494 Tokyo KYODO in English 0709 GMT  
31 Oct 94*

[FBIS Transcribed Text] Tokyo, Oct. 31 KYODO—The Export-Import Bank of Japan is not considering taking a careful stance in extending loans to China in spite of Beijing's nuclear tests, the bank's governor, Hiroshi Yasuda, said Monday [31 October].

Speaking at the Foreign Correspondents' Club of Japan, Yasuda said, "nuclear testing will not have direct implications on the bank's financing to China."

Nuclear testing is one of issues the Japanese Government should take into careful consideration when it extends its official development assistance (ODA), according to government officials. But the chief of the government bank added that the bank's activities are different in nature from the government's ODA.

Touching on the yen's sharp rise against the dollar, Yasuda said he hopes from his heart foreign exchange rates stabilize.

"Fluctuations in exchange rates are a big hindrance to the bank, which is in pursuit of global activities," he said.

For fear of the yen's sharp appreciation leading to a heavier repayment burden, some foreign concerns are now hoping to borrow the bank's money, not in yen but in foreign currencies.

In response to such requests, the bank is extending foreign currencies-denominated loans on a case-by-case basis, he said. About one third of the value of loan approvals is now denominated in foreign currencies, he said.

At the Group of Seven (G-7) summit meeting in Tokyo in July last year, Japan pledged to recycle 120 billion yen to developing nations over the next five years, 35 billion yen of which is to be extended by the bank.

He said he thinks Japan has to continue its efforts to revitalize the world economy, though he is not optimistic about his bank's fund resources, such as postal savings and pension funds, due chiefly to the nation's aging population.

From a long-term point of view, he said the way of securing fund resources will be a major challenge to the bank. The bank would have to depend more on foreign bonds and make more use of private institutions' funds, he added.

### **DPRK May Get Alternative Energy From Australia**

*OW2810143994 Tokyo KYODO in English 1425 GMT  
28 Oct 94*

[FBIS Transcribed Text] Tokyo, Oct. 28 KYODO—Australian Foreign Minister Gareth Evans said Friday [28 October] Australia wants to study what kind of contributions it could make to an international consortium to convert North Korea into a nuclear-free country, Foreign Ministry officials said.

Evans made the comments during nearly three hours of talks and dinner with Foreign Minister Yohei Kono.

Evans told Kono that Australia does not have atomic power plants so it cannot provide technical cooperation in replacing North Korea's graphite-moderated reactors with safer and more modern light-water reactors, the officials said.

But Australia may be able to cooperate in providing alternative energy to North Korea when Pyongyang freezes its graphite-moderated reactors and related facilities, the Australian foreign minister was quoted as saying.



Evans and Kono both gave high marks to the nuclear accord between the United States and North Korea signed Oct. 21, the officials said.

During the meeting, Evans also repeated Australia's support for Japan's bid to become a permanent member of the UN Security Council, the officials said.

Kono replied that Japan is ready to fulfill the responsibilities of a permanent member of the council, they said.

Touching on the trade "framework" agreement between the U.S. and Japan earlier this month, the Australian foreign minister said Australia has supported the Japanese stance to oppose numerical targets and managed trade.

He urged Japan to make sure that the Washington-Tokyo accord would give benefit to other countries as well, the officials said.

### **No Conditions Set for Resumption of DPRK Talks**

*OW2810153094 Tokyo YOMIURI SHIMBUN in Japanese 27 Oct 94 Morning Edition p 2*

[FBIS Translated Text] On 26 October, the government decided not to set any conditions for resuming the stalled Japan-North Korea normalization talks while at the stage of urging North Korea to resume the talks. The government also has begun studying the possibility of Japan holding the talks while separating its "compensation" to North Korea to be made following the normalization of relations from its assistance to North Korea's shift to light-water reactors.

The government decided not to set any conditions for resuming the stalled normalization talks after concluding that the U.S.-DPRK nuclear accord reached in Geneva has paved the way for clearing up suspicions about North Korea's nuclear development and created a climate for resuming the stalled talks. The government also decided not to raise the "Yi Un-hae" issue as a condition for resuming the talks because of the need to give priority to finding clues to resuming the stalled talks.

As for the question of whether Japan's "compensation" and its assistance in North Korea's switch to light-water reactors should be dealt with as a package, a senior Foreign Ministry official said: "By character, they are different." The government plans to deal with them separately. Many Foreign Ministry officials and members of the ruling Liberal Democratic Party favor dealing with them as a package, but the same Foreign Ministry official said: "Japan cannot provide the 'compensation' to North Korea unless the normalization talks are concluded, but Japan will have to take measures for assisting North Korea's shift to light-water reactors immediately after an international consortium is formed." Thus, the Foreign Ministry official took the view that Japan should provide assistance in North Korea's shift to light-water reactors prior to Japan providing compensa?n.

Commenting on the question of whether or not the government should deal separately with Japan's assistance for the light-water reactors after the normalization talks are concluded successfully, the same senior Foreign Ministry official said, "No decision has been made," but left open the possibility that Japan's compensation and its assistance in North Korea's shift to light-water reactors could be dealt with as a package.

### **Kono on Cooperation With ROK, DPRK Talks**

*OW2910060394 Tokyo ASAHI SHIMBUN in Japanese 28 Oct 94 Morning Edition p 2*

[FBIS Translated Text] The Committee on Foreign Affairs of the House of Councilors held a session on 27 October. Commenting on Japan's basic stance on holding talks with the DPRK (North Korea) on normalization following the accord reached between the DPRK and the United States on the DPRK nuclear issue, Foreign Minister Yohei Kono said: "Based on the viewpoint of promoting Japan-DPRK bilateral ties and achieving stability on the Korean Peninsula, we must conduct talks while confirming the ideas and standpoint of the ROK, which shares the same sense of value with us." In this way, he expressed the intention to continue the Japan-DPRK negotiations while attaching importance to the relationship with South Korea.

Kono made this comment in answering a question by Hiroshi Oki of the Liberal Democratic Party [LDP].

There is a growing sense of wariness in the Foreign Ministry that "North Korea may use talks on the normalization issue or Japan's aid for light-water reactor conversion as a strategy to sever Japan-South Korean relations," (as stated by a senior official of the ministry). Therefore, it is observed that Kono stressed the government's stance on confirming Japan's cooperative relations with South Korea.

### **New Aid Package To Be Offered to Vietnam**

*OW2910064194 Tokyo KYODO in English 0603 GMT 29 Oct 94*

[FBIS Transcribed Text] Hanoi, Oct. 29 KYODO—Japan will offer Vietnam over 540 million dollars worth of official loans at an annual donor conference next month in Paris, despite a distressing backlog of funds pledged so far, Japanese Government officials said Saturday [29 October].

"I'm quite sure that the amount will be reasonably increased," said Norio Hattori, the Japanese Foreign Ministry's deputy director general of the Economic Cooperation Bureau, alluding to 52.3 billion yen in soft loans that Tokyo has agreed to provide already.

Hattori told reporters that Japan will unveil the concrete figure for new loans for fiscal 1995, which begins in April, at a consultative group meeting on assistance to Vietnam slated to be held in Paris Nov. 15-16.



The official's remarks came at the close of a six-day visit to Vietnam by a 26-member high-level mission sent by Prime Minister Tomiichi Murayama to consider Japanese economic and technical cooperation from a medium to long-term perspective.

The mission was the first of its kind to be sent to Vietnam, which reflects the country's new status as a priority country for Japanese assistance.

Delegation officials said "most" of the 52.3 billion yen in loans pledged last January have not yet been disbursed because Vietnam has been unable to complete the necessary technical procedures.

They voiced frustration that there is only one staff member at the State Planning Committee in charge of facilitating absorption of Japanese assistance.

"That is very annoying for us," Hattori said, adding that Japan has called on the committee to increase the number of staff.

Hattori said Japan intends to dispatch experts to Hanoi to help Vietnamese officials become more "accustomed" to procedures required by Japan to ensure "transparency and accountability."

Delegation leader Akitane Kiuchi, special assistant to the minister for foreign affairs, said the Vietnamese were told that Japanese taxpayers demand that overseas assistance be "conducted in a correct manner."

Kiuchi said the two sides agreed that Japan's economic and technical cooperation will focus in part on helping Vietnam move toward a market-oriented economy.

Three other areas of particular emphasis will be power and transportation, agriculture, education and health, and environmental conservation.

Japan resumed aid to Vietnam in 1992 after suspending it in the wake of the country's December 1978 invasion of neighboring Cambodia.

### **Murayama Asked To Voice Regret Over East Timor**

*OW3110115594 Tokyo KYODO in English 1119 GMT 31 Oct 94*

[FBIS Transcribed Text] Tokyo, Oct. 31 KYODO—Two legislators from the Social Democratic Party (SDP) urged Prime Minister Tomiichi Murayama on Monday [31 October] to express regret over Indonesia's suppression of activists seeking independence for East Timor.

Tomiko Okazaki, member of the House of Representatives, and Yasuko Takemura, member of the House of Councillors, asked Murayama, SDP leader, to express regret when he meets Indonesian President Suharto during his visit to Indonesia in mid-November, they said. The legislators also urged the premier to ask Suharto to free all political prisoners.

Murayama will visit Indonesia to attend a summit meeting of members of the Asia-Pacific Economic Cooperation (APEC) forum.

Indonesia invaded East Timor in 1975 and annexed it in 1976. Jakarta has since been widely criticized for human rights violations in what it calls its 27th province. The United Nations does not recognize Indonesian rule over the former Portuguese colony.

### **Hosokawa's Japan New Party To Be Dissolved**

*OW3010021994 Tokyo KYODO in English 0154 GMT 30 Oct 94*

[FBIS Transcribed Text] Tokyo, Oct. 30 KYODO—The Japan New Party (JNP) was to be dissolved Sunday [30 October] afternoon at its first and last national convention since its launch in May 1992 by former Prime Minister Morihiro Hosokawa. The dissolution takes place ahead of the inauguration of a powerful opposition party in December.

Hosokawa told the convention at a Tokyo hotel that the JNP, despite its brief life span of two years and a half, helped bring about an end to an uninterrupted 38-year rule of government by the Liberal Democratic Party (LDP).

He called on supporters from across the country to rally behind the new political force, which will make its debut at a large gathering of opposition parties, including his party, Shinseito [Japan Renewal Party], Komeito [Clean Government Party] and the Democratic Socialist Party, in Yokohama on Dec. 10.

Hosokawa, now 56, also said the next general election under a new electoral system would help determine whether Japan will be run under the so-called 1955 makeup, led by the LDP and the SDP, or under a new political framework.

The projected new party is designed to challenge the current ruling coalition of the LDP, the Social Democratic Party and New Party Sakigake [Harbinger]. The latter two were parties to the non-LDP coalition government under Hosokawa when he was prime minister.

Hosokawa, who is a former LDP legislator and governor of Kumamoto Prefecture in Kyushu, launched the JNP in May 1992.

The JNP caught the fancy of a Japanese electorate fed up with a seemingly endless series of money scandals and captured four seats in the House of Councillors in the July 1992 election.

In the July 18 poll for the House of Representatives last year, Hosokawa and 34 other JNP candidates won. The party at its peak had a combined strength of 42 lower and upper house members, compared with 33 Diet members at present.



After the election, Hosokawa became prime minister under a fragile coalition government of major noncommunist parties, including the JNP, SDP, Shinseito, Komeito, the DSP and New Party Sakigake. But JNP's fall from grace was as fast as its rise in Japanese politics as Hosokawa was confronted with allegations of questionable handling of personal finances and promiscuity.

Citing impropriety in personal finances, Hosokawa resigned as prime minister in April.

#### Further on JNP Dissolution

OW3010102894 Tokyo KYODO in English 0945 GMT  
30 Oct 94

[FBIS Transcribed Text] Tokyo, Oct. 30 KYODO—The Japan New Party (JNP) decided Sunday [30 October] to dissolve itself on Dec. 9 and join a united opposition party to be launched on Dec. 10, ending its brief history of two and a half years after helping radically change the country's political landscape long dominated by conservative forces.

The JNP made the decision at its first and last national convention since it was set up in May 1992 by former Prime Minister Morihiro Hosokawa.

All the other opposition parties excluding the Japanese Communist Party will follow suit and break themselves up to join the yet unnamed new party designed to counter the current coalition government of the Liberal Democratic Party (LDP), the Social Democratic Party (SDP) [Social Democratic Party of Japan—SDPJ] and new party Sakigake [Harbinger], an LDP splinter.

Immediately after its inauguration, the JNP caught the fancy of the electorate fed up with money scandals and captured four seats in the House of Councillors in the July 1992 election.

In the July 18 poll for the House of Representatives last year, Hosokawa and 34 other JNP candidates won. The party at its peak had a combined strength of 42 lower and upper house members, compared with 33 Diet members at present.

Hosokawa became prime minister in August 1993 under a reformist coalition government of major noncommunist parties, including the JNP, the SDP, Shinseito [Japan Renewal Party], Komeito [Clean Government Party], the Democratic Socialist Party (SDP) and new party Sakigake. But the JNP's fall from grace was as fast as its rise after Hosokawa was confronted with allegations of questionable handling of personal finances. He resigned as premier last April.

Hosokawa, 56, told the convention that the JNP helped bring about an end to the LDP's uninterrupted 38-year rule since 1955, when two conservative parties merged into the LDP. He called on supporters to rally behind the planned new party, to include the JNP, Shinseito, Komeito and the DSP.

Hosokawa also said the next general election under a new electoral system will help determine whether Japan will be run under the so-called 1955 makeup, led by the LDP and the SDP, or under a new political framework.

#### JNP's Role Analyzed

OW3010104894 Tokyo KYODO in English 0954 GMT  
30 Oct 94

[By Takehiko Kajita: "News Focus on JNP's Dissolution To Join New 'Superparty'"]

[FBIS Transcribed Text] Tokyo, Oct. 30 KYODO—Is the party over?

As Japan's main opposition forces are accelerating moves toward uniting as one "superparty" in early December, former Prime Minister Morihiro Hosokawa's Japan New Party (JNP) decided Sunday [30 October] on its future course.

At its first and last national convention, the JNP opted to put an end to its two-and-a-half-year history and merge with the other opposition allies.

Founded by Hosokawa in May 1992, the JNP once succeeded in winning the hearts of many voters who had been disillusioned with established political parties and an array of political scandals. With Hosokawa's personal appeal and the party's "fresh" image, support for the JNP peaked at around 20 percent.

However, Hosokawa's alleged involvement in shady financial deals and his abrupt resignation announcement in April estranged supporters. Public support for the once second most popular party now hovers around 2 percent to 3 percent.

Supporters must have been all the more disappointed because they pinned high hopes on the JNP's efforts to recoup public trust in politics and create a new situation in Japan.

"Those disgusted with existing parties once backed the JNP, and when they found out that things have not changed at all, their distrust of politics increased further," said Mitsuru Uchida, professor of political science at Tokyo's Waseda University.

A recent survey by Japan's top-selling YOMIURI SHIMBUN newspaper shows 44.8 percent of respondents said they support no political party in particular, posting the second worst figure. The opinion poll also finds that those backing no party have made up more than 40 percent for six months in a row.

While acknowledging that the JNP may have deepened voters' distrust, many JNP legislators are optimistic about winning public support after they join the planned grand opposition party.

"At this time of political vacuum, political distrust might have increased and the JNP might be to blame. But it is a fairly short-term phenomenon," JNP deputy leader Yuriko Koike said.



Saying the JNP achieved its founding goal of serving as a forerunner in radically changing the nation's political landscape, she argued that JNP lawmakers will continue to play their part within the new superparty by rivaling the Liberal Democratic Party (LDP), the largest contingent in the tripartite ruling coalition.

The JNP's biggest accomplishment was its dethronement of the LDP, which had uninterruptedly governed Japan for 38 years, in conjunction with other parties in August 1993, many JNP lawmakers and analysts say.

"We broke down the 1955 setup and opened the door of a new era of coalition government," JNP legislator Tatsuya Ito boasted, referring to the demise of the LDP's power monopoly since its foundation in 1955.

Even Yukio Edano, who defected from the JNP in May and later joined new party Sakigake [Harbinger], a minor component of the ruling union, lauded the JNP for the role it played in knocking the LDP from power and heralding a new era of politics.

But Edano blamed the JNP for having fallen short of breathtakingly high public expectations and augmenting people's apathy. He also predicted JNP lawmakers will be unable to pursue their political ideals within the planned new party.

"After all, the JNP will be absorbed by Shinseito [Japan Renewal Party]. It will eventually be caught up in a maelstrom of established parties," Waseda University's Uchida said. Shinseito, led by former Prime Minister Tsutomu Hata, is an LDP splinter and a core opposition party.

When Hosokawa launched the JNP two and a half years ago, he said he was playing solo and hoped to see the party grow into a large orchestra. In the fading twilight of the JNP's life, many party ranks seem to share the view that a party was over, but not the party.

"It's true the so-called JNP boom is far behind us. But the policies the JNP has proposed constitute the mainstream of the current politics," JNP legislator Hiroshi Nakada said.

"The quintessence of the JNP has perfectly taken root in Japanese politics," he stressed.

Many JNP lawmakers say they will strive to push for unfinished policy tasks such as streamlining the nation's all-powerful bureaucracy in cooperation with other politicians from different walks of life within the new party.

Among them, Ichiro Kamoshita, a doctor-turned politician, believes that the JNP will take charge of conducting the orchestra of the new superparty, albeit in an invisible fashion.

"I'm pretty sure the genes of the JNP will live on, take control of the new party and eventually grow into a big flower," he said.

### **New Opposition Party To Elect Head by 10 Dec**

*OW2810145094 Tokyo KYODO in English 1407 GMT 28 Oct 94*

[FBIS Transcribed Text] Tokyo, Oct. 28 KYODO—The head of the planned new opposition party will be elected by Diet members in the preparatory committee before the party is launched Dec. 10, opposition officials said Friday [28 October].

The new party preparatory conference basically endorsed the outlines of the party's proposed platform during Friday meetings of the action committee and the council of party leaders.

The draft platform, proposed by the basic policy drafting committee, says the party will aim for participation by a wide range of people under the banner of "Liberty, Justice, Fraternity and Symbiosis."

The platform will be finalized by an action committee meeting Nov. 10, the officials said.

The chief will be elected along with other party leaders at a general assembly meeting of members from both Diet houses who have joined the preparatory conference.

The new party, comprising most of the opposition groups excluding the Japanese Communist Party, will also set up a shadow cabinet, dubbed "Tomorrow Cabinet," and hold a "cabinet meeting" once a week, they said.

The six-point platform stresses unceasing efforts for reform and responsible politics to form a fair and effective government.

### **Hosokawa Not To Head Party**

*OW3110140594 Tokyo MAINICHI SHIMBUN in Japanese 31 Oct 94 Morning Edition p 2*

[FBIS Translated Text] Morihiro Hosokawa, representative of the Japan New Party [JNP], held a news conference following the JNP congress on 30 October, and stated: "What I have been asked to do is perhaps to play the role of breaking down [the old system]. Since I have played my role in an adequate way, I am quite satisfied." In this way, Hosokawa stressed that he has no intention to become the head of the New New-Party or the prime minister.

### **Komeito Leader on Party Head**

*OW3010111994 Tokyo KYODO in English 1102 GMT 30 Oct 94*

[FBIS Transcribed Text] Tokyo, Oct. 30 KYODO—The head of the Buddhist-backed opposition Komeito [Clean Government Party] said Sunday [30 October] he is not against a former Liberal Democratic Party (LDP) member taking the top post in a new opposition party to be set up in December.



Koshiro Ishida made the comment on a Japan Broadcasting Corp. (NHK) program in connection with concern among some opposition leaders that the new party's leadership might be monopolized by members of LDP splinter groups.

Chief opposition strategist Ichiro Ozawa, the No. 2 man in Shinseito [Japan Renewal Party], an LDP breakaway group headed by former Prime Minister Tsutomu Hata, is expected to be the new party's secretary general.

Hata and another former premier, Toshiki Kaifu, are among those mentioned as candidates for party chief. Kaifu heads another LDP splinter group.

Ishida said he sees no problem in former LDP lawmakers assuming many of the party's top posts.

The Komeito chairman also said the first chief should be selected through talks, not votes.

### **Opposition Parties Draft Platform for New Party**

*OW2910141294 Tokyo ASAHI SHIMBUN in Japanese 29 Oct 94 Morning Edition p 1*

[FBIS Translated Text] On 28 October, opposition parties led by Shinseito [Japan Renewal Party] and Komeito [Clean Government Party] held a meeting of the action committee and council of party leaders to discuss principles, organization, and election strategies of their new party. The opposition team's "new party preparatory conference" is paving the way for their party to be launched in December. At the 28 October meeting, opposition leaders agreed to advocate "liberty, justice, fraternity, and symbiosis" in the new party's platform, and to locate the party headquarters in the building currently used as the Democratic Socialist Party headquarters (in Toranomon, Tokyo). Also, they supported a proposal to provide a "shadow cabinet" to cope with the ruling coalition. However, the attendees concluded that further adjustment work is necessary on such subjects as details of the new party's platform, basic party policies, the party's organizational structure, and guidelines for selecting candidates for the next general election. The draft platform will be finalized at the 10 November meeting.

The draft platform submitted at the meeting says the new party will seek swift reactions to urgent questions, promotion of the deregulation policy, and a fair and effective government. To achieve these objectives, the draft advocates "unceasing reform efforts" and "responsible politics." In addition, the draft advocates such political objectives as "a dignified diplomatic policy," "a vital welfare-oriented society," and "a party opened to and participated in by the people."

With respect to guidelines for selecting party candidates, the draft platform says: 1) party tickets should be preferentially given to active Diet members; 2) new candidates should be selected through open competition; and 3) candidates for proportional representative districts

should be selected from a namelist divided into eight categories, and party leaders should have to run for elections from these districts. However, some attendees opposed the rigid screening rules, saying: "Candidates should be selected more flexibly because the most important point is to win elections." Also, the attendees failed to reach an accord on proposals for banning "candidates over 70 years old" and "hereditary candidates" since some of them opposed drastic changes.

### **Ozawa: New-New Party To Work With Any Party**

*OW2810144194 Tokyo TOKYO SHIMBUN in Japanese 25 Oct 94 Morning Edition p 10*

[Summary of news conference given by Ichiro Ozawa, general secretary of Japan Renewal Party, at the Diet Hall on 24 October]

[FBIS Translated Text] [Dean of press corps] The Social Democratic Party of Japan [SDPJ] has decided that as far as party cooperation in elections is concerned, it can cooperate with either the Liberal Democratic Party or the new-new party.

[Ozawa] Election cooperation can be done where considered desirable. It depends on the situation. The party we cooperate with need not be only the SDPJ. The best thing to do is to get cooperation from as many parties as possible. I have nothing to say about SDPJ policies. That is the party's own affairs.

[Dean of press corps] SDPJ General Secretary Wataru Kubo has announced the intention of launching a new liberal party with the support of about 100 diet members. Where will that party stand vis-a-vis a new-new party planned by noncommunist opposition parties?

[Ozawa] I do not know. However, I can say that I do not find their way of thinking to be much different from what we are hoping to achieve. After all, that party and ourselves together opened a new page in Japanese history [by forming a coalition to take over power] in August last year. We have had such a relationship.

[Reporter Ryoji Tachio of TOKYO SHIMBUN] Behind you is a sign soliciting the public for ideas for a good name for the new-new party. You must have ordered the sign put there. Does this mean you want to become head of that party? [laughter]

[Ozawa] [Laughs] Do not be silly. How can you ask that kind of question? [Laughs] Anyway, our public relations head told me that when I hold a news conference, I "should also do publicity for the new party."

[Tachio] The Japan New Party, Komeito [Clean Government Party], and Democratic Socialist Party are due to hold party conventions to take steps to dissolve themselves soon. When will Shinseito [Japan Renewal Party] do the same?



[Ozawa] On 16 November. You are late in getting the information. It was announced some time ago. I am sure it is 16 November.

[Tachio] In Kanagawa Prefecture this morning, the former coalition member parties, excluding the SDPJ, agreed on 91 jointly supported candidates who will run in local elections—the prefectural assembly, Yokohama City Assembly, and Kawasaki City Assembly elections. This is expected to give impact on [future elections of] diet members who represent their own parties and factions. Is this active decision-making by local people desirable?

[Ozawa] Individuals in local areas get together to campaign in local, prefectural assembly, and then central government elections. It is important for all political parties to have sound bases of support in local areas. I think such a cooperative move [as seen in Kanagawa] is desirable as a matter of general rule.

[Unidentified reporter] The new-new party appears to be having differences of opinions in policy issues, such as on the collective defense right.

[Ozawa] You people need to do some homework and educate yourselves. Please remember we have not been able to come to a conclusion on the collective self-defense right question, even after I formed a research committee to exclusively study the matter. I do not expect the matter to be resolved easily.

[Unidentified reporter] There appear to be awkward problems in Diet maneuverings of the floor group "Kaikaku" [Renovation]. For instance, in a meeting of whips, the group initially agreed on a deal to hold Tax System Special Committee hearings, but then scrapped it.

[Ozawa] Since I am not involved in running the Diet, I do not know about the matter too well. However, I do not think things are in such a state that one should say there are awkward problems. Things have been more serious previously.

#### **Rengo Chairman on New Democratic Alliance**

*OW2810142794 Tokyo MAINICHI SHIMBUN in Japanese 27 Oct 94 Morning Edition p 2*

[FBIS Translated Text] At a news conference held at the Japan Press Club in Tokyo on 26 October, Kannosuke Ashida, chairman of the Japan Trade Union Confederation [Rengo], commented on the formation of a new party—proposed by the "New Democratic Alliance [NDA]," a group of middle-roaders and rightists within the Social Democratic Party of Japan [SDPJ]—to be made up of liberal groups in the SDPJ and the Liberal Democratic Party [LDP]. He explained that the NDA cannot become a major force, saying: "Is it not too late? The situation would have been different if they had informed me earlier." As a reason for this statement, he said: "We have the LDP on one side and the new-new

party on the other. The Democratic Socialist Party [DSP] is leaning toward the new-new party. Where is it [the new-new party] going to spread its wings?" In this way, Ashida explained that it is difficult for the DSP to join the new party of SDPJ-LDP liberal groups at this stage.

On Rengo's involvement in politics, Ashida explained once again a prudent stance, saying: "What we need to do is decide how the labor unions should deal with political party decisions. Sometimes it is necessary to think twice." On reorganization of the political world, he said: "I wonder how long the coalition cabinet of the LDP, SDPJ, and Sakigake [Harbinger] will last? I wonder how long the SDPJ can remain one party?" Regarding the formation of the new-new party by former coalition parties, Ashida said: "They are saying that it will be composed of people with different ideologies. I wonder if it will work out." In this way, he explained his feeling that both ruling and opposition sides are not certain about the future of their concepts.

#### **Igarashi Signals Readiness for SDPJ Dissolution**

*OW3010031594 Tokyo KYODO in English 0250 GMT 30 Oct 94*

[FBIS Transcribed Text] Seoul, Oct. 30 KYODO—Chief Cabinet Secretary Kozo Igarashi said in Seoul on Sunday [30 October] that he wants to see the Social Democratic Party (SDP) face the potential consequence of its dissolution as part of an ongoing political realignment in Japan.

"I would like to challenge head-on (the political realignment), including the SDP's dissolution," he told reporters traveling with him before returning to Tokyo.

Igarashi, the chief spokesman for the government of Prime Minister Tomiichi Murayama, ruled out the possibility of an early dissolution of the powerful House of Representatives for a snap general election.

He held talks Saturday with South Korean President Kim Yong-sam on aid for North Korea's light-water reactor project and other issues.

Igarashi met on Sunday morning with members of a South Korean group representing relatives of World War II victims and told them of Japan's plans to set up a fund to compensate former "comfort women," who were forced into prostitution by the Japanese military.

The group members told Igarashi that they want action, not mere words from Tokyo.

Igarashi separately met with members of a group representing Koreans stranded in Sakhalin after the war. Japanese officials said Igarashi promised to facilitate the return to South Korea of the first generation of Koreans from Russia.



**Takemura Wary of Split**

*OW3110101594 Tokyo YOMIURI SHIMBUN in Japanese 29 Oct 94 Evening Edition p 1*

[FBIS Translated Text] Finance Minister Masayoshi Takemura, head of Sakigake [Harbinger], held a news conference in Fukuoka City on 29 October. He commented on moves by the group "New Democratic Alliance" (chaired by Sadao Yamahana) inside the Social Democratic Party of Japan [SDPJ], which supports Secretary General Wataru Kubo, to form a "new democratic liberal party," indicating understanding of such moves by saying: "Basically, Sakigake agrees with the idea."

However, he further said: "I am closely watching developments inside the SDPJ, and hope that there would not be any factional activities or major splits." He indicated that a split of the SDPJ should be avoided.

**SDPJ, Unions Maneuver Over Forming New Party**

*OW3010133194 Tokyo AERA in Japanese 24 Oct 94 pp 13-15*

[Article by editor Yoshitaka Sasaki: "The Relationship Between the SDPJ, Trade Unionists, and Ozawa"]

[Text] On the evening of 16 August, Shinseito [Japan Renewal Party] secretary general Ichiro Ozawa and a close aide Sadao Hirano, a member of the House of Councilors, were joined at a restaurant in Roppongi, Tokyo, by Teruhito Tokumoto, chairman of Jidosha Soren [the Confederation of Japan Automobile Workers' Unions]; Jinnosuke Ashida, chairman of Zensen [the Japanese Federation of Textile, Garment, Chemical, Mercantile, and Allied Industry Workers' Unions] (at the time acting chairman of Rengo, or the Japanese Trade Union Confederation); Chairman Kiyoshi Sasamori of Denryoku Soren [All Japan Federation of Electric Machine Workers' Union]; and Chairman of Zentei [Japan Postal Workers' Union] Mototaka Ito for a dinner meeting.

The concern of these heads of major industry union groups, which are members of Rengo, focused on an announcement Ozawa made in late July while in Washington D.C.: "I would like to establish a major new party by the end of September."

The Democratic Socialist Party [DSP] has already resolved to dissolve and to merge with this new party immediately prior to its inauguration. The heads of the four industry labor union groups in attendance had hoped to join the new party following the integration of the right wing of the Social Democratic Party of Japan [SDPJ] with the DSP elements. They were, therefore, opposed to any dissolution of the DSP prior to such integration.

Zentei Chairman Ito, who is acting as spearhead of the merger, pleaded: "We need to put off forming the new

party until the SDPJ and DSP have completed all their preparations. [Otherwise] we will lose the proper timing for the SDPJ [element] to join up." In response to Ozawa's query on an estimate of what would be the best timing, Tokumoto answered, "From the labor union point of view, we must ask you to respect the current course of democratic proceedings. Until the 3 September SDPJ special convention [is over], you really should not be announcing the new party from the rooftops."

**SDPJ Heads Also Meet Secretly at Hotel**

Thereafter, the startup run towards forming the new party stayed on track, but the target date was repeatedly extended. At a meeting on the morning of 11 October, representatives from the four industrial union groups (automotive, postal, electric, and steel), it was decided that "the defection from the SDPJ main body should be delayed until immediately prior to the inaugural gathering of the new party scheduled for 10 December."

Within the SDPJ, power is split nearly equally between two groups: one group comprised of neutral and primarily left wing members who are supporters of Prime Minister Tomiichi Murayama, and a second of neutral and mostly right wing members led by former party Chairman Sadao Yamahana in support of Secretary General Wataru Kubo. The latter, which has been largely dormant since the birth of the Murayama coalition government, has resumed its activity.

The secret council convened in a hotel room near the Diet on 30 September and met for about one and one-half hours from its 0800 start.

A statement was made by Yamahana (former SDPJ chairman), president (former chairman) of the Shin Minshu Rengo [New Democratic Alliance], a group of Diet members which was only recently set up inside the SDPJ to focus on political strategy. Next to him sat Secretary General Kubo. The audience consisted of representatives from the seven industry union groups (industry specific confederations of labor unions) which were part of the former ruling coalition. This included four representatives from the industry specific labor groups which had attended the dinner with Ozawa. According to the various notes taken by the attendees as they listened, Yamahana declared, "We do not want the New Democratic Alliance to end up as just another faction within a political party as has been the wont, as exemplified by the Democrats. Moreover, it would be meaningless for this to take one to two years. We want to establish a new movement. Unless we make our move, we are doomed to slip slowly downhill; so it is essential that we move without hesitation."

"We must also consider the need to raise operating funds. Of course, the members of the Diet will bear their [share of the] burden, but we also need the help of all of you here."

"At any rate, we must now work on laying the foundations for any political decision that Secretary General Kubo might make."



### An Impression of "An Irrevocable Step"

The seven listeners consisted of the coordinator Ito, chairman of Zentei; Koji Kajimoto, chairman of the Federation of the Telecommunications, Electronic Information, and Allied Workers' Union; Yasuo Iwayama, chairman of the All Japan Federation of Electric Machine Workers' Unions; Chairman Sasamori of Denryoku Soren; Benichiro Eto, chairman of the Japanese Federation of Iron and Steel Workers' Unions; Tsuyoshi Takagi, secretary general of Zensen Domei, who attended in place [of his chairman]; and Yoshio Takahashi, director of the secretariat of Jidosha Soren.

Attendees thought the Yamahana statement was "more decisive than was expected."

Last year, Yamahana and others formed a group of Diet members within the party [SDPJ] known as the 'Democrats.' With the birth of the Murayama administration, however, the group split over whether or not to support a coalition between the LDP with the SDPJ, and its activities ground to a virtual halt. The New Democratic Alliance was formed at the end of August around a core of these [former Democrats] members.

Of course, the meeting of the seven industry labor union representatives with Yamanaha and Kubo was not one that was broadly advertised. Between August and today, there have been four such meetings to provide forums for involved exchanges of opinions on the possibilities of forming a new party from SDPJ and DSP elements. Yamanaha and Kubo attended most of these meetings together.

At the three meetings of 4, 19 and 29 August, the seven industry labor representatives insisted on action: "Words mean nothing to us. Resign from the party, and we will support you." The scenario was for the SDPJ and DSP Diet members to first leave their parties and form a new SDPJ/DSP party. Any decision to later integrate into Ozawa's new party or to continue operating as an independent entity would then become a matter to be worked out between friends in the same boat. One of the seven industry labor representatives suggested, "First, Mr. Yamanaha should leave the party with about 20 others, for which Mr. Kubo would accept full responsibility and resign. Kubo and his supporters could then merge with the point group in a two-stage rocket take-off."

However, in the last three secret meetings, both Yamanaha and Kubo indicated the potential for serious problems, saying, "any action taken too lightly can lead to our dying abandoned by the roadside, and bathe us with criticism for attempting to topple the cabinet." They were giving no indication of even relaxing their guard slightly. In contrast, their declarations on 30 September projected an image of willingness to take risk.

### Interpreting the "Kubo Declaration"

Let us reconstruct here from the (many) notes taken [at the meeting] the more blatant portions of the Kubo declaration: "I have yet to officially declare myself a candidate in the next election. The SDPJ cannot continue to exist in its present form in times such as these. However, if I, as party secretary, were to take action based on this kind of thinking, my moves would inevitably be labeled attempts to topple the cabinet. I am considering so many things. If I am to make any move after reaching a final decision, it would be necessary to clarify my position."

"Conventional wisdom places the next general election sometime during the year after next or even later, but there are some who say it could very well come within next year. Public opinion polls show that after the new electoral system is established, the majority of the public will favor early dissolution of the Diet to seek a vote of confidence from the people. Such attitudes will only grow stronger as the new year begins to unfold, with the enactment of the bill redrawing the electoral districts for the House of Representatives."

Among the seven labor representatives, there was one in whom Kubo's declaration gave birth to high hopes that the time had come when Kubo was now nearly prepared to implement the two-stage rocket takeoff idea and resign from his post as secretary general. In contrast, yet another of the seven representatives interpreted Kubo's declaration to indicate: "Mr. Kubo seems to be planning to start on the path to a new party with the promulgation of the new SDPJ policy platform to be issued as the '1995 Declaration'. His statement is intended to bring cohesion to the party and slowly make this idea acceptable to the party members."

The next day in Sapporo, Kubo held a news conference and said, "Of course, the SDPJ has no intention of joining the opposition parties in forming a new party, but will instead forge a new and separate path. A grand union of democratic socialist and liberal forces will be our political goal, and we will consider the best timing for the formation of a new democratic liberal new party which can provide leadership for the 21st century."

In opposition to the LDP and new conservatives, [Kubo's plan is to] form a new party centered around the social democrats, who have pleaded the cause of the rights of workers, as well as conservative liberals, and thus form one pole in a tripolar structure.

Also in the news conference, Kubo addressed the issue of campaign cooperation, indicating the likelihood of multiple patterns of cooperation, and set forth the three prerequisites of (1) an appeal to similar voting blocs, (2) a convergence of the focus of policies and political philosophy, and (3) the sharing of power.

Next year, there will be the nationwide local elections in the spring and elections for the House of Councilors in the summer. Having agreed early to a system of mutual



campaign support under the framework of the old coalition government, there are regions where it is no longer possible to reformulate inter-party support systems under the current [tripartite ruling] coalition.

### **Murayama's Supporters Angered**

If an understanding can be reached on terms of mutual support and cooperation for the House of Councillors election campaigns in single-seat districts, it will be to the SDPJ's greater benefit to take advantage of inter-party cooperation with its partners in the ruling coalition. The evaluation of such election-related stratagems has a major role in the process of political realignment. Should it be the LDP and SDPJ, or the DSP with the SDPJ, or a mass cascade into Ozawa's new party?

The [Kubo] conceptualization of a new party was not addressed in advance, even with Prime Minister (and SDPJ chairman) Murayama. Within the party, the prime minister's supporters spoke out in ire, "Is he trying to rock our ruling coalition?" Kubo was grilled on what his real intentions were in both a 3 October meeting of party executives and cabinet ministers and in the 6 October meeting of the Central Executive Committee. He responded, "If we are calling to 'rally around the flag' only inside the SDPJ, things are not going to move along. As secretary general, I must fully give every thought to how we can bring about a union of social democratic and liberal forces. I used the term 'new party' in that sense. This is all in accordance with party policy; I have said nothing particularly new."

To ascertain what really lies behind this chain of events, we interviewed Yamahana in early October. But when the contents of his statement at the meeting of the seven industry specific labor groups was read back to him, he interrupted in forceful tones and asserted, "Sometimes people hear what they want to hear." Taking out some public relations material, including the "New Democratic Alliance Newsletter," he added "What I said was exactly what is written here. I said I was a supporter of the Murayama administration." Before we could begin with detailed questions, Yamahana terminated the interview saying he was too busy.

One staffer close to Yamahana explained, "It is like magma which lies below the surface. True, there are some differences in what Mr. Yamahana says in public and his statements behind the scenes. But at a time when support for the Murayama cabinet is on the rise, he cannot take overt action. If and when the administration reaches some deadlock, the magma will erupt."

Yamahana met twice with Morishige Goto, chairman of Jichiro [All Japan Prefectural and Municipal Workers' Unions], the largest grouping within Rengo. The meetings came both before and after Goto assumed his post as acting chairman of Rengo on 6 October, and were held to explain the New Democratic Alliance Goto.

As a Diet member within the organization, Yamahana repeatedly relies on the assistance of Zentei at election

time. However, he is also endorsed by Zentei. In addition, the New Democratic Alliance includes nine Diet members from Jichiro.

Prime Minister Murayama himself is a long time member of Jichiro. Goto, who has been unequivocal in his support of the Murayama administration, asked Yamahana, "Why has the New Democratic Alliance not called on the [SDPJ's] Murayama supporters to join its ranks? Fail to do this, and the party will slip into factions. The crucial issue is party unity. The New Democratic Alliance says it supports the Murayama administration, but just how will it do so...give me specifics."

### **LDP's Vice President Obuchi Begins His Moves**

Goto met with senior members of the Shinseito in early September for an exchange of opinions on augmenting regional government budgets. Then again, he also conferred twice with Koichi Kato, chairman of the [LDP] Policy Research Council, once on 8 August and again on 12 September. The second meeting was a dinner meeting joined by Keizo Obuchi, LDP vice president. It appears that the LDP is being weighed against the Shinseito. Obuchi's direct mentor, former Prime Minister Noboru Takeshita, is critical: "The Ministry of Posts and Telecommunications prostrated itself body and soul before Ozawa during the days of the old coalition. That sort of conduct is foolish in an era when administrations are changing at a dizzying rate."

Chairman Ito of the Japan Postal Workers' Union is one who is especially exerting himself to align SDPJ and DSP forces and to join the new party. There is rampant speculation that Obuchi, the LDP's preeminent "zoku" [LDP Diet members closely affiliated with specific government agencies, exercising great influence over policy formation] Diet member in postal issues, has initiated overtures to the postal labor unions.

Says Goto, "We have for so long fought as an anti-LDP force; we now have an involuntary reflex allergy to the LDP. Shinseito gives rise to fears that they will strengthen the Japan-U.S. security setup and encourage overseas assignments for the Self-Defense Forces. We have changed [our position] on this issue and through a generational change in its leadership, the LDP's approach to the security treaty is now dovish, so our two positions have grown closer together."

Chairman Kato of the LDP Policy Research Council made this comment as a warning: "Labor should focus on forming their demands on policy and systems, recognizing that it is better to avoid getting too involved with politics." Then he added, switching the focus of criticism to Shinseito, "We of the LDP do not say the kind of things Ozawa says, like 'You can stomp and trample, trample and stomp but [they] will still be there like snow on the bottom of your shoes.' Shinseito is composed of renegade LDP members who once stood at our core,



whether in methods or in character, and it is a product of factional strife. Go to Ozawa and you can only be cut apart."

The signals that both Kubo and Yamahana are sending out constitute a red light warning of the inherent danger that a single miscalculation could lead to the fall of the LDP, SDPJ, and Sakigake tripartite coalition. It was an awareness of this that resulted in Kato's invitation to Kubo as a friendship overture to address the policy study group Shinseiki on 13 October, a group Kato himself heads.

### **SDPJ's Two Major Support Unions To Reunite**

*OW3010115094 Tokyo NIHON KEIZAI SHIMBUN in Japanese 28 Oct 94 Evening Edition p 1*

[FBIS Translated Text] To team up in political and international activities, the Japan Telecommunications Workers' Union [Zendentsu] (with about 230,000 members) and the Japan Postal Workers' Union [Zentei] (with about 160,000 members)—which are major supporters of the Social Democratic Party of Japan [SDPJ]—firmed up on 28 October a plan to form a joint trade union called "Information and Telecommunications Workers' Union" (tentative name). It is expected that the two unions will approve the plan at their central committee meetings slated for 16 November and in February respectively. The new trade union will be inaugurated as early as next summer after holding a general meeting. Of the SDPJ-backing labor unions, these two have rejected the link-up between the SDPJ and the Liberal Democratic Party [LDP] and fully support the concept of forming a "New Democratic and Liberal Party," which was advocated by SDPJ Secretary General Wataru Kubo. It seems that the movement to form the new trade union will have a major impact on the Murayama administration as well as on political reorganization.

Zendentsu and Zentei were established in 1950 following the split of the then-Communications Ministry into two separate ministries. Of late, the two unions, in opposition to the LDP-SDPJ administration, refused to support candidates who ran in an upper house election on the SDPJ ticket. They have been acting in harmony in supporting the "New Democratic Alliance" (chaired by former SDPJ Chairman Sadao Yamahana), which was formed by groups supporting Kubo.

Zendentsu and Zentei established the "information media study group" four years ago with the All-Japan Postal Office Labor Union [Zenyusei], National Federation of Printing and Publishing Industry Workers' Union, Japan Broadcasting Labor Union, and other unions. In this way, the two unions have been preparing for the unification of trade unions mainly from information-related companies. The political world is becoming changeable; opposition parties, except for the Japan Communist Party, are preparing to form a new-new party and it is expected that a bill for drawing the lower

house single-seat election district lines will be enacted. Under such circumstances, the two have decided to form the new trade union from the viewpoint of strengthening their political power for unification of liberal SDPJ-LDP groups.

Both unions plan to ask other labor unions—including the All-Japan Postal Office Labor Union and National Federation of Printing and Publishing Industry Workers' Unions—to join the new union.

Of the SDPJ-supporting labor unions, the All-Japan Prefectural and Municipal Workers' Union, General Federation of Private Railway Workers' Unions of Japan, and Metal and Machine Workers' Unions clearly support the SDPJ-LDP administration. On the other hand, Zendentsu, Zentei, and the All-Japan Federation of Electric Machine Workers' Unions oppose it. Confrontation between the two groups is coming into the open. It seems that unification of Zendentsu and Zentei will have some impact not only on the power relations between the SDPJ-supporting labor unions but also on the SDPJ party line.

Moreover, although the Japan Trade Union Confederation [Rengo] is currently composed of 78 trade labor unions, most are small organizations with less than several hundred thousand members. If the Zendentsu-Zentei unification takes place, the new union will be the fifth largest following the All-Japan Prefectural and Municipal Workers' Union (with about 1 million members), the Confederation of Japan Automobile Workers' Unions (with 790,000 workers), the All-Japan Federation of Electric Machine Workers' Unions (with about 740,000 members), and Allied Industry Workers' Unions (with about 580,000 members).

While keeping in mind that the German Federation of Labor Unions [name as published], which is composed of 17 trade unions, and Rengo, whose affiliated unions have 8 million members in total, are almost the same in terms of size, Rengo Chairman Kannosuke Ashida launched a policy, saying that trade union unification should be promoted to strengthen labor unions' organizational power. The unification of Zendentsu and Zentei will give impetus to integrating labor unions within Rengo.

### **LDP's Mori To Propose Ruling Party Summit**

*OW3110011294 Tokyo YOMIURI SHIMBUN in Japanese 29 Oct 94 Evening Edition p 1*

[FBIS Translated Text] Yoshiro Mori, secretary general of the Liberal Democratic Party [LDP], held a news conference at a Miyazaki hotel on the afternoon of 29 October. With regard to cooperation among the three ruling parties—the LDP, Sakigake [Harbinger], and the Social Democratic Party of Japan [SDPJ]—in election campaigns for the House of Councillors scheduled for next summer, he said: "We are ready to discuss with the



SDPJ details of cooperation in election campaigns, (particularly in single-seat constituencies)." He thus indicated his intention to begin discussions with the SDPJ, including summit-level consultations. Concerning the schedule for meetings, Mori said he would propose as early as next week a plan to hold summit-level talks, saying: "We have not discussed (details of the schedule) yet. However, a conference of top leaders of the LDP will be held next week to discuss how to deal with those constituencies in which the LDP will not field candidates. If participants reach a certain conclusion on cooperation in the election campaign, the LDP will discuss this matter with the SDPJ and Sakigake." Senior Upper House members from the LDP and the SDPJ have been unofficially discussing ways to cooperate with each other in the Upper House election campaigns. However, arrangements for cooperation, particularly cooperation in the single seat constituencies, are facing rough- going. A growing number of members believe "there is no other way but to bring up this matter for high-level consultations."

#### **Ruling Parties To Discuss Electoral Cooperation**

*OW2910081694 Tokyo KYODO in English 0749 GMT 29 Oct 94*

[FBIS Transcribed Text] Miyazaki, Japan, oct. 29 KYODO—The three ruling coalition parties will hold top-level talks next week on election cooperation to enter joint candidates in some electoral districts, a senior party official said Saturday [29 October].

Yoshiro Mori, secretary general of the Liberal Democratic Party (LDP), told a news conference that discussions on the issue will be held with the Social Democratic Party (SDP) [Social Democratic Party of Japan—SDPJ] and the new party Sakigake [Harbinger].

Mori said now is the time to hold high-level talks in concrete terms on "vacuum electoral districts," where the parties will field joint candidates.

He said agreement has already been reached for constituencies where the ruling coalition will enter two candidates.

Mori indicated his support of a proposal by SDP Secretary General Wataru Kubo for the establishment of a new party, and said Prime Minister Tomiichi Murayama, who is chairman of the SDP, also supports the move. He expressed hope that the move will help boost the party's political standing.

Mori stressed the importance of cooperation between the LDP and the SDP to maintain political stability. He said dissolution of the Diet should be avoided at this time.

#### **Hyogo Governor Re-Elected; Backed by Nine Parties**

*OW3010120494 Tokyo KYODO in English 1145 GMT 30 Oct 94*

[FBIS Transcribed Text] Kobe, Oct. 30 KYODO—Hyogo Gov. Toshitami Kaihara won a gubernatorial

election Sunday [30 October] for his third term, backed by nine parties from the ruling and opposition camps.

The 61-year-old independent governor overwhelmingly beat Tatsumi Osawa, a Japanese Communist Party official who ran on the party's ticket, and Saburo Yasuda, an independent.

Kaihara received support from the three ruling parties—the Liberal Democratic Party, the Social Democratic Party [Social Democratic Party of Japan] and new party Sakigake [Harbinger]—as well as from Shinseito [Japan Renewal Party], Komeito [Clean Government Party], the Japan New Party, the Democratic Socialist Party, the Liberal Party and New Party Mirai in the opposition camp.

#### **Commission Reports on 1993 Political Funds**

*OW3110014194 Tokyo KYODO in English 0105 GMT 31 Oct 94*

[FBIS Transcribed Text] Tokyo, Oct. 31 KYODO—Political funds raised by 3,327 political parties and organizations in Tokyo during 1993 totaled 19.96 billion yen, the second largest amount following 21.16 billion yen in 1991, the Tokyo election commission said Monday [31 October].

The figure represented an increase of 1.48 billion yen or 8.0 percent over 1992, reflecting hot election campaigns for the Tokyo Metropolitan Assembly and the House of Representatives, the Tokyo Metropolitan Election Administration Commission said.

If the balance brought forward from the previous year is included, the total amount of revenue stood at 25.48 billion yen, up 8.3 percent from 1992, it said.

Payments also hit the second largest at 20.17 billion yen, an increase of 2.2 billion yen or 12.2 percent over 1992, following 20.99 billion yen in 1991. The revenue of all political parties totaled 8.74 billion yen, up 3.7 percent from the previous year, the committee said.

The Japanese Communist Party topped the list with 5.4 billion yen, followed by the Liberal Democratic Party at 1.47 billion yen, Komeito at 850 million yen and the Social Democratic Party at 745 million yen, the commission said.

Donations accounted for almost half the entire revenue of political parties and organizations, and stood at 10.08 billion yen, up 8.0 percent from the previous year. Of the expenditure, 12.15 billion yen was used for political activities, an increase of 1.53 billion yen over 1992, the commission said.

#### **Race Between 'LDP-SDPJ,' 'Kaifu Supporters'**

*942A0677A Tokyo USHIO in Japanese Sep 94 pp 94-107*

[Article by Eiji Oshita, writer: "Crush: Veiled Enmity Between 'LDP-SDPJ Alliance' and 'Kaifu Supporters'"]



[FBIS Translated Text] *Liberal Democratic Party (LDP) Strategy Calling for a "Prime Minister Murayama" as a Means To Realize Its Ambition To Regain Government Control*

**Impatience of Coalition Parties Relative to Social Democratic Party of Japan (SDPJ) Participation in Policy Deliberations**

Policy deliberations between the ruling coalition parties and the SDPJ commenced at 1130 on 24 June [1994].

Secretary General Ichiro Ozawa of Shinseito asked SDPJ General Secretary Wataru Kubo, "Could you be specific on the question of whether the SDPJ opposes the consumption tax itself or whether it is a case where the SDPJ opposes an increase in the consumption tax rate?"

Kubo replied, "We would have difficulty in concurring in a consumption tax rate increase. Political conditions as they exist now would pose time limitations on discussions concerning the consumption tax. Therefore, we should probably limit our discussions at the Naples summit to the fact that first priority has been given to tax decreases."

Ozawa summarized the discussion by saying, "This is somewhat of a crude approach, but why don't we agree that deliberations on policy matters will be concluded before the summit and proceed with a decision that the SDPJ will rejoin the coalition."

Kubo grimaced and replied, "I cannot return to the SDPJ with such a decision."

Kubo, then, alluded to the spontaneous resignation of the Hata cabinet, in saying, "Now that the budget has been approved and in view of the circumstances which led to the formation of the Hata administration, resignation of the cabinet would clear up the political situation."

Ozawa responded with a disheartened facial expression, in saying, "I can see no reason for resigning en masse at this stage. Pending in the near term is the Japan-U.S. Summit as well as the summit of leading industrialized nations. If a mass resignation of the cabinet should take place, the loss of confidence by the international society will be of an exceedingly severe magnitude. A reorganization of the cabinet after the Naples summit should be acceptable. We should not attend the summit for two consecutive years amidst an abnormal domestic political situation. Would you accept a reorganization of the cabinet after the summit?"

Although Kubo had demonstrated a desire to restore the SDPJ to the coalition, he unequivocally declared, "Not acceptable. The only way to clear up the political situation is for the cabinet to resign."

Ozawa then asked, "Can we go with the same prime minister after the resignation?"

Kubo responded, "Hata is a fine individual. Consultations could theoretically lead to the conclusion that we could go with Hata once more...."

However, SDPJ Party Diet Committee Chairman Koken Nosaka of the Murayama support group interrupted Kubo's statement, when he said, "Such an approach is based on Nagata-cho logic and is not amenable to explanation to the public. As far as the SDPJ is concerned, Hata cannot succeed himself as prime minister. This is SDPJ logic."

Naoto Kitamura of Shinseito who had assisted Prime Minister Tsutomu Hata as his deputy chief cabinet secretary was dumbfounded and thought, "The discussion indicates that the coalition parties will accept all of the views of the SDPJ. It seems like everything could be settled if an agreement is reached and the cabinet undergoes a major reorganization. If resignation en masse is an absolute condition and Hata cannot succeed himself, Prime Minister Hata's pride will be significantly injured."

The meeting was closed after reaching an agreement to meet again at 1600 of the same day.

Komeito Chairman Koshiro Ishida at that point still felt that the SDPJ would rejoin the ranks of the coalition parties, or at least vow to cooperate with the coalition party without occupying positions in the cabinet. He did not even dream that the LDP and the SDPJ that had continued a confrontation of deep-seated grudges for 30 years would form an alliance.

However it was not a case where he was not suffering from even a vague feeling of anxiety. He recalled that in connection with the deliberations on the UN Peace-keeping Cooperation Law during the Gulf war and in connection with the Kaishin [Renovation] incident, discussions would be taking place until the very last stage, but suddenly the SDPJ would assume a highly emotional stance and declare, "You're being outrageous!" They lack reason and are always emotional.

Ishida wonders why the SDPJ is unable to tolerate conditions at the most crucial stage. Moreover, although the same phenomenon occurred during the Kaishin incident, both the rightwing and leftwing of the SDPJ uniformly engage in violent actions. Even if they were upset, the situations are usually such that a calm discussion could lead to a salvation of the situation, but the SDPJ becomes so emotionally stressed that its members cannot engage in rational discussions. Ishida feels that such behavior is incompatible with the political process.

**Deep Into the Night Cabinet Members Face the Agony of Resignation En Masse at Prime Minister's Residence**

The policy deliberations between the coalition parties and the SDPJ were reopened at 1602. However, the talks broke down and were terminated.



Just past 1700, Secretary General Ozawa showed up at the Prime Minister's Residence. Kitamura, who was in attendance, spoke vehemently with unbearable anger, as he said. "SDPJ Party Diet Committee Chairman Nosaka says that it was not he but Komeito Secretary General Yuichi Ichikawa who said Hata could not succeed himself. It is a case where Ichikawa accepted what was said by Nosaka, while, theoretically, there is also a bit of logic in the statement made by Nosaka. He was saying that the public would have a difficulty comprehending the situation in which a prime minister succeeds himself after his old cabinet is subjected to a resignation en masse. Why does he alter the story on that one little point and release an altered statement to the mass media? Even though the coalition parties have acceded to all of the SDPJ ideas, the SDPJ asserts that it has been confronted with unacceptable, difficult considerations concerning the tax system...these must be manifestations of the SDPJ peculiarities."

Hata, who was briefed in detail on the policy deliberations with the SDPJ, lapsed into deep meditation. Hata himself felt that it would be illogical for a prime minister, who had subjected his cabinet to a resignation en masse, to succeed himself. Suddenly, the idea of dissolving the House of Representatives must have crossed his mind as he said, "Perhaps I should think of subjecting the future of this cabinet to the will of the people...."

Nagata-cho was engulfed with rumors of a lower house dissolution and general election. However, Hata was still hoping for an ultimate return of the SDPJ to the coalition. "If the lower house is dissolved, I would be placed in the position of attending the summit as the prime minister, as was done last year. However, such an approach would require the creation of a one-month political vacuum." Hata added with a mixture of relief, "I would like to reach an agreement on policy. However, I imagine 10 or more leftist SDPJ members will most likely fail to agree. The SDPJ cannot be split."

Someone uttered the words, "I'm hungry. Let's have some buckwheat noodles or sandwiches" as if to have been roused by reality.

Television political reporters were continuing to report with a grim expression, "A tense atmosphere continues to prevail at the Prime Minister's Residence."

Kitamura laughed as he declared, "There's nothing tense about this atmosphere. Perhaps I should file an on-site report that tells viewers that we're enjoying a meal."

At that point, the scene exploded with laughter and the atmosphere changed to a relaxed air.

Hata's agony continued past midnight and into the 25th, as he thought, "I don't think the SDPJ will split in which the rightists return to the coalition and the leftists refuse to join...."

When Ozawa finally departed the Prime Minister's Residence, it was after 0300.

At 1120, Prime Minister Hata finally announced at a press conference that the cabinet would resign," as he said, "I felt truthfully that the logical approach would have been to dissolve the lower house and ask the public to exercise their will in a general election, but I had to give consideration to factors such as the coalition parties, the circumstances affecting other parties, and the status of junior Diet members. Additionally, now is not the time to create a political vacuum. Last night, I had left a number of options open. I was told by Ozawa that he would abide by my decision."

Kitamura listened to the press conference with an expression full of disappointment and thought, "This is not a case where the Hata cabinet is resigning because of a mistake it had made."

#### **Members of the LDP Who Acted for Restoration to Government Power**

LDP Policy Affairs Research Council Chairman Koichi Kato pauses in an effort to recall who played a central role in promoting and creating the grand design for the birth of the LDP-SDPJ-Sakigake coalition government. However, no matter how hard he tries, he cannot recall who that person might have been. In essence, he thinks that the birth of the coalition represents a collective victory of 10 or 15 mid-range and heavyweight leaders among Diet members who worked desperately for the revival of the LDP.

If he were to name individuals, they would include Katsuhiko Shirakawa who played an ostensible role. Shirakawa and 16 or 17 of his fellow LDP members joined with Hideko Ito of the SDPJ to form the "Club to Create a Liberal Government." It happened on 9 June [1994]. The "Group To Create a Liberal Administration" could be regarded as an anti-Ichikawa-Ozawa group and played a major role in the formation of an LDP-SDPJ alliance.

On the other hand, we must not disregard the actions of Shizuka Kamei who acted in unison with Shirakawa. Kamei positioned himself in the Office of the Secretary General and, as an influential assistant in the strategic headquarters, moved aggressively to advise Secretary General Yoshiro Mori.

Then, there was Diet Affairs Committee Chairman Sadatoshi Ozato. Ozato approached a reluctant SDPJ General Secretary Wataru Kubo repeatedly. And, he also maintained close contacts with SDPJ Party Diet Committee Chairman Koken Nosaka.

Further, among those who played substantial roles in a less obvious manner was Shin Sakurai. Sakurai assumed guerilla-like tactics and exercised freedom in approaching members of the SDPJ in a war of persuasion.

Takashi Fukaya and Hiromu Nonaka, who aggressively attacked the Hata cabinet in the Budget Committee hearings, also played significant roles.



The mass media indicate former Prime Minister Noboru Takeshita played a behind-the-scenes role, which is said to be a victorious strategy created by the Murayama-Kajiya line who both served once as diet affairs committee chairmen. It is very likely that Takeshita and Takemura were maintaining contacts. But Kato thinks that the new administration would not have been created without the on-the-scene efforts of Shirakawa and Kamei.

Early in the formulative stages, Koichi Kato made the bold statement that "We will fail to regain government power if the LDP insists on supplying the prime minister." He was making that statement in April just after the demise of the Hosokawa administration. Kato had felt that the only way that the LDP could restore itself to government power would be for it to support SDPJ Chairman Tomiichi Murayama or Sakigake President Masayoshi Takemura as the prime minister.

This idea was also referred to as the YKK (Taku Yamazaki, Junichiro Koizumi, Koichi Kato) line and is consistent with the thinking of Taku Yamazaki and Junichiro Koizumi who formed the suprapartisan policy group known as the "Shinseiki Group" [New Century] on 16 May. Of special note is that Yamazaki had asserted, "In any event, Murayama will probably decline, so Takemura will be acceptable."

On the other hand, if both of them should decline, there was former Deputy Prime Minister Masaharu Gotoda of the constitutional protection faction or former Prime Minister Toshiki Kaifu. This particular idea was not totally unrelated to the fact that Kato and his group in forming the "Shinseiki Group" apologized to Kaifu by saying, "We regret having made a mistake," in regard to the actions they took in opposing the reelection of Kaifu as LDP president in 1991.

The three members of the YKK trio participated in the "Sunday Project" show presided by Soichiro Tahara on Television ASAHI on 29 May [1994].

During the show, Koizumi stated, "In the next elections, we are willing to compromise and go with an LDP president other than Kono."

Tahara broke loose with a series of questions, "Are you speaking of an anti-Kono, or anti-Executive Department?"

Koizumi replied, "No. Not at all. Even if we wanted to make Kono the prime minister at this time, everyone will not agree. That is why the LDP will play the role of making recommendations. And, it should think in terms of participating in the new administration."

On the following day, reaction to the Koizumi statement gushed forth from members of the LDP. Koizumi initiated a move to persuade each of the objectors of the validity of his statement. Koizumi was desperate in his efforts to consolidate opinions within the LDP as he said, "If we insist on Kono becoming the next prime

minister, we're going to end up being a part of the opposition again. If we choose to become part of the opposition, that's alright too. However, if that is not acceptable, we must be willing to join with Shinseito of the coalition parties or even with the SDPJ. In any event, don't you think we should give priority to regaining government power?"

As the first part of June arrived, discussions began to take place on a "ho-ho rengo" [conservative merger.] Talk also arose about a meeting between Ozawa and Nakasone. Hiroshi Mitsuzuka leader of the LDP Mitsuzuka faction also made a statement concerning the acceptability of a "ho-ho rengo" involving the coalition parties. Even at that point, Koizumi immediately visited Mitsuzuka who was the head of an LDP faction and made an effort to persuade him, saying, "In effect, Michio Watanabe's threat to resign from the LDP in April turned out to be an empty threat in a style typical of Watanabe. However, he is serious this time and if you should side with him, it will mean sure political death."

In response to Koizumi's persuasion, which was more akin to a threat, Mitsuzuka suddenly ceased to make statements about favoring a conservative merger.

For the LDP, the most urgent issue now was to regain government power. Attaining that goal would require the consolidation of intramural opinions. Who was to become prime minister was a secondary issue.

Koizumi had no objection whatsoever of forming an alliance with the SDPJ. He feels that today's SDPJ is not the SDPJ that existed during the 1955 system days.

One year ago, the Hosokawa coalition government stated, "We will continue with the basic LDP policies of the past."

The SDPJ was a part of that administration. At that time, the SDPJ had reached the point where it agreed with LDP policies.

Further, Koizumi felt that the quickest way to correct distortions created by a non-LDP administration was to form an LDP-SDPJ alliance.

#### **Intraparty Turbulence and Plot to Persuade Murayama**

On 23 June 1994, the LDP submitted a no-confidence motion against the Hata administration. However, within the party there were individuals such as Michio Watanabe who strongly objected to even submitting the no-confidence motion against the Hata administration.

The "Shinseiki Group" unified to support Yohei Kono and the LDP Executive Department, in saying, "It is only appropriate that the motion is submitted. Something is wrong with arguments advocating caution and objections to the move. The Hata administration is an anti-LDP government. Something is wrong with arguments saying that it is not right for LDP Diet members to submit a no-confidence motion against an anti-LDP administration."



On that same day, 23 June 1994, when Prime Minister Hata announced that he was ready to cause the cabinet to resign, the LDP's largest Diet group called the "Sasshin No Kai" [Radical Reform Group] confirmed that the LDP Executive Department was ready to support Murayama for the position of prime minister.

Kato and his "Shinseiki Group" expressed themselves to LDP President Kono, by saying, "Making Murayama prime minister is one option. The LDP must assume a modest stance."

An astonishing phenomenon was that even the "Reimei No Kai" [Daybreak Club] which is a hawkish group headed by Shintaro Ishihara agreed with the idea of making Murayama prime minister.

At that point, it appears that LDP President Kono together with former Prime Minister Miyazawa were exploring the feasibility of an independent minority LDP administration. He probably had some objection to supporting the head of another party for the position of prime minister.

However, Kono was gradually influenced into siding with the actions being taken by Kato and his group.

On 25 June, Prime Minister Hata announced the resignation of the cabinet. The political situation fell into a truly pitch-dark situation.

Koizumi gloated over the situation and thought, "The situation is evolving in a manner which I had predicted."

Toshiki Kaifu's name was mentioned as an LDP candidate for prime minister. At that point, negotiations were also confidentially held with the coalition parties. Shinseito approached the LDP and said, "If the LDP as a whole is going to support Kaifu, Shinseito and Komeito would have difficulty in supporting him."

Koizumi was daunted and thought, "This probably means that if a decision is made to support Kaifu, the LDP will probably have to suffer a split. That situation would not be reflective of a Ho-Ho Rengo. It would be a phony alliance. The Kaishin group is fanatically stressing the anti-LDP position..."

Koizumi thought if he were in the same position as Ichiro Ozawa who is the leader of the Kaishin group, he would support the ho-ho rengo to the very end. He would not insist on minor points and affiliate himself with the LDP as a whole. However, Ozawa, who could not free himself from the anti-LDP concept, was unable to opt for that course.

At any rate, reasons no longer existed for the LDP to continue negotiations with the coalition parties beginning with Shinseito. That being the case, the LDP had no choice but to dedicate itself to an alliance with the SDPJ and Sakigake Party. In that event, the LDP would not support a prime minister candidate from its own party. There was a need to adhere to that course of action.

Prime minister candidates would be limited to Murayama and Takemura.

However, the SDPJ would not support Takemura for the position. If someone other than Murayama is pushed, there may be an uprising of some dissidents from the SDPJ and LDP. The SDPJ was advocating opposition to any LDP candidate. Causing such forces to join with the LDP would provide only the single choice of going with a "Murayama candidacy!"

Koizumi and his group moved to support a Murayama administration. They succeeded in persuading reluctant Murayama to serve as prime minister.

#### **Movements by the YKK Trio to Force LDP President Kono to Make a Decision**

It was deep into the night of 27 June that LDP President Kono made the final decision that "Prime Minister Murayama was inevitable."

At the LDP five key official conference held at LDP headquarters, House of Councillors Secretary General Tomio Yamamoto rebuked LDP President Kono for being hesitant in clarifying his position, by saying, "Aren't you going to express yourself as being willing to accept Murayama? Do you really think we can face the competition with an LDP-SDPJ-Sakigake alliance without your expression of such willingness? We just might be forced into a situation where we have to change our policies and strategies."

When he heard of this statement, Katsuhiko Shirakawa immediately telephoned LDP President Kono. He appealed to Kono for 30 minutes. Listening in on the call next to Shirakawa was Shizuka Kamei. "President Kono, are you still hesitant about making a decision? If you take such a stance, you'll be unable to avoid forfeiture of the opportunity to regain government power."

On that evening, Koichi Kato had just finished an appearance on the Tokyo broadcasting System news program called "News 23" and was enjoying some beer with newscaster Tetsuya Chikushi when his secretary suddenly approached him and said, "Shirakawa asks that you contact him immediately."

Wondering what he might have on his mind, Kato telephoned Shirakawa. Shirakawa appealed to Kato, "Sir. Please make some preparations and persuade the LDP president to make a decision."

Kato telephoned Kono and endeavored to persuade him into making the necessary decision.

On the morning of the following 28th, Shizuka Kamei took his turn at approaching Secretary General Mori, strongly demanding that the "LDP go with Prime Minister Murayama."

At that point, Mori finally addressed the 1300 session of the five key official conference with the words, "I am



about to make a critical proposal. Let's agree to our party nominating Murayama for the prime minister."

That statement solidified the move towards an LDP-SDPJ-Sakigake alliance. Subsequently, LDP President Kono met with SDPJ Chairman Murayama and declared, "I will support you."

At that point, a fortunate development for the LDP was the signature movement centered on the SDPJ rightist "Democrats." The group gathered Diet member signatures appealing for a return to the coalition government. Signatures were gathered from about 40 individuals. However, the group presented the signatures to Shinseito Secretary General Ozawa, causing an uproar in the SDPJ.

SDPJ Chairman Murayama twitched his eye brows in anger and said, "It is outrageous that an item of this nature was passed to another party!"

The signature campaign caused an SDPJ split into two groups, i.e., those advocating return to the coalition and those calling for an LDP-SDPJ-Sakigake alliance.

On 27 June, SDPJ Deputy General Secretary Masanori Goto and his group of Diet members who were former members of the All Japan Prefectural and Municipal Worker's Union (AJPMWU) resigned from their positions as officers of the "Democrats." The AJPMWU had shifted from a policy to return to the coalition government to siding itself with an LDP-SDPJ alliance.

When Koichi Kato heard of this information, he renewed his confidence with respect to attaining his ultimate goal and thought, "Now we can go forward with our plan! The SDPJ should now advance a movement which stresses the avoidance of any split in its ranks. Realization of that objective leaves no choice but to proceed with the idea of Chairman Murayama as the prime minister."

On the other hand, Sakigake President Takemura and Acting President Shusei Tanaka had assumed a stance from the very beginning, which indicated, "We'll exclude Ichiro Ozawa and Yuichi Ichikawa, but we're willing to ally ourselves with undesirable elements."

In other words, their position was that they could not ally themselves with Shinseito and Komeito as represented by Ichiro Ozawa and Yuichi Ichikawa. However, the SDPJ has undesirable elements, the leftists. The foregoing quote means, comparatively speaking, they may be unpleasant company, but we have no choice but to ally ourselves with the SDPJ as a means to regain government power. This analysis is a portrayal of Tanaka's assessment of the situation and ultimately led to the birth of the LDP-SDPJ-Sakigake coalition government.

On the evening of 28 June, Koizumi was watching the news at his residence. The news was couched in language that suggested that the SDPJ would rejoin the coalition parties.

Koizumi sneered as he thought, "The newscaster is making an inaccurate statement, without any knowledge of the facts. The SDPJ is going to ally itself with the LDP."

At noon of the same day, Koizumi was convinced that the LDP-SDPJ-Sakigake alliance had been formed.

The Sakigake Party exercised major influence in the current LDP-SDPJ alliance. The Sakigake played an apt role as the cushion. If Sakigake Party did not exist, even if their policies seemed to have become similar, rancor of the past persists between the LDP and the SDPJ and an alliance would have been difficult.

Further, individual personalities played a major role. It was because of this factor that SDPJ Chairman Murayama and LDP President Kono were able to join hands. Koizumi felt that if an attempt had been made to pair Chairman Kubo and President Watanabe, it would have been a difficult task.

#### **Two Streams of Thoughts in Shinseito Relative to Policy Deliberations**

In connection with the party representatives conference of the morning of 29 June, the SDPJ suddenly began to pose higher obstacles, saying, "We will make an effort to formulate a definite plan on tax system reform within the year."

Because of the addition of Sakigake to the policy deliberations, the position of "attaining a definite plan" reached at the policy deliberations just before the birth of the Hata administration was downgraded to "an effort will be made to formulate a definite plan."

Shinseito Acting Secretary General Kozo Watanabe felt that it would be acceptable to accede to the SDPJ plan even under those circumstances and thought, "Whether it is a case of attaining a definite plan or making an effort to do so, the goal can be achieved as long as we are resolved to do so."

Highest priority was given to bringing the coalition government to a unified position.

On 17 June, Watanabe met with Chairman Akira Yamagishi of Rengo [National Confederation of Trade Unions] before the latter departed for the meeting to be held by the International Confederation of Free Trade Unions in Brussels. During that encounter with Watanabe, Yamagishi said, "We should form a non-LDP government. Don't restrict the alliance to the SDPJ, but also include Sakigake."

Having been asked to do so by Yamagishi, Watanabe was not in a position to exclude Sakigake.

On the other hand, talk began to emerge about a conservative merger. Shinseito had been told that it had no choice but to ally itself with the LDP. However, Watanabe had never thought of forming a ho-ho rengo [conservative merger].



However, Ozawa and Ichikawa objected violently to the SDPJ plan which posed higher obstacles, by saying, "Even if we were to forcibly establish a unified position with the SDPJ on such a point, in September, the SDPJ will betray the alliance again anyway. We cannot compromise."

Of special note was that Ozawa insisted, "I object unequivocally," and persisted in his position, by saying, "We must take a clear-cut position with respect to tax issues. If the majority insists on a compromise, I will resign my position as leader of Shinseito. Of foremost concern is that if Hata should become a candidate for prime minister after having resigned that position, I will resign from the party."

Ozawa was convinced that even if a compromise were reached with the SDPJ on tax system reform and the Hata administration were retained, the SDPJ would move to destroy the administration in September.

Actually, Watanabe had spent the evening of the prior day through the following morning with the rightist faction of the SDPJ.

On the other hand, it was about this time that Ozawa was taking advantage of a small number of individuals in persuading Kaifu to run as a candidate for prime minister as a second option.

Watanabe, however, was moving over a separate course from that of Ozawa. He was unaware of Ozawa's behind-the-scene actions. Watanabe had dedicated himself to the return of the SDPJ to the ruling coalition.

In the morning of the 29th, the talk was that Hata would be retained as prime minister. This was Watanabe's idea.

After the party representatives' conference, Watanabe held an exclusive meeting with Ozawa.

Even at that point, the coalition parties views were overwhelming that they would like to preserve the administration no matter the degree of compromise required. Watanabe's idea was that the coalition should proceed at the same pace as the weakest elements of the coalition.

Watanabe engaged in a heated argument with Ozawa. He said, "Your argument is undoubtedly a sound one. As a multiple-term Dietman, you're in good shape, but you should consider the position of those who finally became elected and are serving for the first term. If they are exposed to reelection without being members of the ruling government, they'll face difficulty in being reelected. If we were to consider the position of first-term Dietmen, it is time for compromise."

Ozawa responded, "No. Even if we were to forfeit government power, we can push for reorganization of the political world."

At that point, Watanabe felt, if he had insisted to Ozawa that "He would become secretary general," imposed his

ideas on the situation, and accepted the SDPJ plan in its entirety, there was a strong possibility that the Hata cabinet could have been preserved. However, Watanabe felt that he could not go that far. He dislikes engaging in disputes with others.

Watanabe believes that Ozawa still thinks that "Given time, people will consider what he did as being proper."

If as a result of debate concerning tax system reform in September, the LDP and the SDPJ were to split, the cabinet were to fail, and government powers were to be restored to the former coalition parties, Ozawa would be considered a political genius. However, Watanabe feels that the LDP and SDPJ will not fall apart so easily as Ozawa visualizes.

#### **Ozawa's Assessment and Miscalculation of Kaifu's Potential**

At 1430 on 29 June, reports reached the ruling coalition party that Toshiki Kaifu had officially accepted nomination as a ruling coalition party candidate for prime minister.

Immediately following the resignation of the Hata cabinet, talks were being conducted on possible candidates for prime minister to represent the ruling coalition parties. Opinions were rife, such as, "We would have difficulty with a Hata candidacy. Even if we were to accede to all of the SDPJ proposals, we could not win with Hata. The leftwing of the SDPJ would not agree." "If we are unable to accede to the SDPJ proposals and are forced into a situation because of the lack of time, let's proceed with a Hata candidacy." "We have no objection to such an approach. Let's go with Hata, whether we face victory or defeat."

Voices calling for rejoining of the SDPJ with the ruling coalition were persistent.

At that point, Watanabe felt the former coalition would lose in an election, but Watanabe felt that Ozawa was still convinced that they could win.

Watanabe said to Ozawa, "If you have taken appropriate measures with the LDP, I am willing to assist." However, Ozawa declined his offer unequivocally in saying, "Don't lift a finger in that direction. We'll take care of the situation."

Normally, chairman of the Committee on Rules and Administration Keiwa Okuda would have the authority to make the decision on whether or not to nominate Kaifu for prime minister. However, this was a case where Watanabe and Okuda were merely told, "We'll go with Kaifu" and Ozawa made the decision without even consulting with Okuda.

In the end, Okuda and Watanabe continued with their persuasion tactics addressed at the SDPJ.



Individuals that Ozawa was using to achieve his goals were Moriyoshi Sato, a member of House of Representatives with the same seniority ranking as he; Sadao Hirano, a member of House of Councillors known as a confidant to Ozawa; and Keisuke Nakanishi, a member of House of Representatives. Negotiations with the LDP were handled mainly by Sato. And, Moriyoshi Sato maintained liaison with former chairman of the Executive Council Koko Sato.

According to information obtained from these individuals, it was believed that "60 individuals will definitely side with us from the LDP."

Watanabe felt that to accept such figures without questioning them would represent a case of extreme naivete. An objective evaluation would indicate that Kaifu does not have the power to win over 60 followers.

Ozawa had arrived at the assessment that both the LDP and the SDPJ will split, and remarked, "If in addition to moves by the three individuals including Hirano, Watanabe and Okuda work hard at persuading elements of the SDPJ, we should be able to win 10 or 20 additional votes."

In reality, even Hata was unaware of these Ozawa's moves to support Kaifu as a candidate for prime minister.

At 1830, former Prime Minister Kaifu of the LDP held a press conference in the Diet building and stated, "I cannot support SDPJ Chairman Tomiichi Murayama as the candidate for prime minister, based on concepts of the past. I cannot abide by the decisions of party deliberations in this respect."

Ozawa and Ichikawa spoke in unison, "We do not know whether we can win. However, we must achieve political reform as promised the public in the past. We cannot join with the odd trio known as the LDP-SDPJ-Sakigake alliance."

#### **Prime Minister's Election Assessed as Being a "Close Race"**

When he heard the former coalition parties were going to support Kaifu as a prime minister candidate, Junichiro Koizumi of the LDP thought, "For Ichiro Ozawa who is the leader of the Kaishin group, Kaifu would serve as a measure of last resort. He had concealed this idea until the very end when the LDP officially decided to support Murayama as the prime minister candidate." But Koizumi also felt sad as he thought, "It is very tragic to see Kaifu leave the LDP at this stage."

Koizumi had no idea that a former prime minister would accept an invitation from the ruling coalition to run as a prime minister candidate. Information reached the LDP that "Nearly 40 members of the SDPJ plan to vote for Kaifu. Kaifu is assured of certain victory."

The LDP also produced some turncoats. Leading Diet members such as Yasuhiro Nakasone and Michio Watanabe declared they would vote for Kaifu. Koizumi looked acerbic and thought, "Even big time politicians of their stature are unaware that they are being misled."

LDP Diet members wore tense expressions as they approached Koizumi and asked, "Are we doing the right thing in supporting Murayama as the candidate for prime minister?"

Koizumi moved to appease the group and replied, "Let's settle down and assess the incoming intelligence."

It was learned that intelligence indicating as many as 40 members of the SDPJ would vote for Kaifu originated with the rightwing "Democrats." According to information from other SDPJ Diet members, the maximum of such votes would be 10.

Koizumi thought, "We cannot tell at this stage as to which of the two pieces of intelligence is correct. However, I would think the figure will be less than 20."

According to his calculations, if LDP-SDPJ defectors are limited to around 20, Murayama will win for sure.

Koizumi continued to cogitate, "However, the real outcome will be known only after the election. No matter who wins, it will be a close competition!"

At 2052, the balloting and ballot count in the main chambers of the House of Representatives had been completed. The tally indicated 241 for Murayama, 220 for Kaifu, 15 for Tetsuzo Fuha, 5 for Yohei Kono, and 23 blank, invalid ballots.

Deputy Chief Cabinet Secretary Naoto Kitamura was disappointed but had anticipated the outcome, and thought, "The outcome had been set in concrete when Kaifu declared he was resigning from the LDP. The LDP-SDPJ-Sakigake Party forces had already decided on the morning of that day that they would vote for Murayama... As far as officials of the National Council of Government and Public Workers' Union were concerned, if administrative reform and a tax increase were implemented, there would be the risk that they would lose their jobs. Even if they succeed in making the chairman of the SDPJ prime minister, they'll allow him to handle administrative reform superficially absent any real changes. In other words, they have succeeded in creating a procrastinating, do nothing cabinet."

A runoff vote between the two leading candidates; i.e., Murayama and Kaifu, had to be held because none had garnered a majority vote. At 2159, Secretary General Marutani read results of the balloting by announcing, "Tomiichi Murayama wins 261 votes."

At that instant, the chamber was filled with applause and cheers. The LDP had restored itself to government power after a lapse of about 10 months.



Koizumi had not even dreamed that the LDP would regain government power in such a short time. He had figured that even if the LDP were to regain power, it would be after the next election. Return to government power by the LDP was made possible by a number of errors committed by the ruling coalition parties including the Kaishin incident. The LDP-SDPJ-Sakigake members were dancing wildly over the auspicious turn of events.

Koizumi pondered, "It's a case where an administration founded on an anti-LDP principle was overturned by an anti-Ich-Ichi [Ichiro Ozawa and Yuichi Ichikawa] movement. It's certainly a case of retribution."

On the other hand, Kitamura greeted the change calmly and reminisced, "When Takemura was relegated to a lower position in March under the Hosokawa administration, a rumor had been circulating that a movement was afoot to push for an LDP-SDPJ-Sakigake three-party approach with Prime Minister Murayama, but that was more than just a rumor. Surreptitious moves were being made to go with Murayama after Hosokawa, and now that move has officially surfaced. Even then, one wonders...."

#### **"We Have Won the Flag of Victory."**

Kitamura looked ominous. He unintentionally expressed anger without addressing his words to any particular person, "Takemura's behavior cannot be condoned. Takemura's thought process and acts of betrayal lack consistency. His only concern is to control the casting vote. His doctrines and ideals are not of a noble nature as professed by Takemura. There are admirable individuals within Sakigake, but I as a politician cannot trust Takemura. Takemura would never lift a single finger from the time he was a first-term parliamentarian unless he was made a group leader. Sakigake has become Takemura's private tool. The party is being used to preserve Takemura's status and authority."

Hata spoke to Kitamura with a refreshed air: "We failed to win, but we have won the flag of victory. We can now address the public with our just arguments. We can tread the course of justice."

Prime Minister Murayama told a story to President Clinton about San Fleches [three arrows] at the Naples summit.

San Fleches is a term used to refer to a story that was supposed to have been told by Motonari Mori [Feudal lord—1497-1571] to his three sons. "One arrow by itself will break, but three arrows in a bundle will not break. [meaning the three sons should unite in dealing with all situations.] Prime Minister Murayama thought he was alluding to the SDPJ, LDP, and Sakigake trio, but President Clinton's reaction was something else. It is said that he asked, isn't this a case where you don't have a whole person unless three elements are combined?"

The new government is being looked upon with skepticism because it was a case where the three parties did not reconcile their policies because of the immediate goals of the parties, created an illicit union, and the potential that they are going to revive the 1955 system. As being ironically reminded by President Clinton that "it is important for them to demonstrate their worthiness by actions," we hope that they will never reverse the gears of history, and that they will demonstrate the value of the new administration through real results.

We can now anticipate sharp clashes between the former coalition which is about to create a new political party and the current ruling parties.

#### **Mieno on Importance of Stable Financial System**

*OW3110083694 Tokyo KYODO in English 0606 GMT 31 Oct 94*

[FBIS Transcribed Text] Tokyo, Oct. 31 KYODO—Bank of Japan Governor Yasushi Mieno said Monday [31 October] the pace of the increase in nonperforming assets seems to have reached its peak after the formation and subsequent bursting of the financial "bubble."

Mieno made the comments in a speech that was titled "The Maintenance of Financial System Stability and the Role of the Bank of Japan."

"We may no longer have to be concerned about how much further the problem of nonperforming assets is going to develop since the outline of the problem has now become fairly clear," Mieno said.

At the same time, Mieno said disposing of the nonperforming assets is still half completed in the context of the overall financial system, citing remaining steps such as reinvesting proceeds from the liquidation of nonperforming assets in profitable assets and improving capital positions.

While saying the measures taken so far, including avoidance of reporting a net loss in financial statements, prevented disruptions in the financial markets, Mieno voiced concern over the fragility of the financial system resulting from a delay in the improvement of the balance sheet of financial institutions.

Such fragility might have a negative effect on the macro economy, he said.

In order to build up a sounder and stronger financial system, Mieno called for four basic directions—promoting competition, establishing better risk-management by financial institutions, utilizing market-based checking mechanisms and improving infrastructure for financial transactions.

In enhancing competition through further deregulation, Mieno pointed to the importance of financial institutions departing from what has tended to be their dominant mode of behavior, comparing oneself with others and "staying in line" with competitors.



"The new direction they are strongly required to take today is taking advantage of the vitality underlying the market economy and demonstrating entrepreneurship," Mieno said.

"Only with such an approach will the application of the newest financial technology, including derivative products, prove to be both effective and profitable," he said.

Calling upon individual financial institutions for enhanced risk management based on their independent judgement, Mieno said they must construct an appropriate risk management system of their own will and sense of responsibility and operate it "with their own initiatives."

The matter of greatest concern to a central bank regarding a troubled financial institution is not whether to let it survive or not, but whether or not it might destabilize the whole financial system, Mieno said.

"It is not the business of the central bank to save all financial institutions from failure," Mieno said, "on the contrary, failure of an institution that has reasons to fail is even necessary from the viewpoint of nurturing a sound financial system built on competitive mechanisms."

However, should such a failure have the potential to undermine the financial system stability as a whole, then that potential must be removed, Mieno said.

To that end, there are so-called "safety net" ultimate measures for securing a stable financial system such as the lender of the last resort function of the central bank, he said.

At the same time, Mieno noted the danger that the existence of a safety net could weaken the moral standards of the management and shareholders of financial institutions cannot be overlooked.

A market-based checking mechanism is the most effective way to restrain such a "moral hazard" problem, Mieno said, rather than regulation and supervision, which run the risk of becoming excessive and tend to lag behind.

He also called for further improvement in the financial infrastructure, such as legal, tax and accounting standards as well as the disclosure of practices.

An approach that provides the basis for responsible management and allows the dynamism of the market economy to perform to the fullest extent will continue to create the vitality that drives the Japanese economy into the future, he said.

"Improving and strengthening the financial system by adopting the same approach will lead to stability of the financial system that will support the Japanese economy in the 21st century," he stressed.

### MITI Studying Impact of Structural Changes

OW3010112894 Tokyo NIHON KEIZAI SHIMBUN in Japanese 29 Oct 94 Morning Edition p 5

[FBIS Translated Text] The Ministry of International Trade and Industry [MITI] has started a study on the long-term impact the industrial hollowing-out will have on national employment conditions and technical development programs. The study will verify whether such major industries as automobiles and electric machinery will expand their overseas productions further, whether domestic production will drop drastically, whether domestic technical renovation efforts will slow down, and whether domestic employment conditions will worsen—if the strong yen of more than 100 yen per dollar becomes a permanent condition.

MITI considers as too optimistic the view that "even though the production of low value-added goods will move overseas, the production of high value-added goods as well as research and development [R&D] departments will remain in Japan; hence, there will be no problem from hollowing out." As such, the ministry wants to come up with counter-hollowing-out measures which will go a step beyond such thinking.

To prevent domestic production from falling as a result of the industrial hollowing out, MITI is now in the process of formulating measures to help new venture businesses start up or to assist existing companies in their restructuring efforts by offering preferential taxes or low-interest loans. But since "a certain degree of hollowing out will occur" even when such measures are carried out effectively, the ministry wants to study the impact of the hollowing out from various angles, (according to MITI's Training Institute of International Trade and Industry).

The study will first deal with the issues of production bases being transferred overseas and technological renovation efforts slowing down, and will conduct surveys on actual instances of R&D departments of the electric machinery, general machinery and chemicals industries having moved overseas. Based on results of the surveys, it will draw up a theoretical model which can tell whether domestic technological renovation programs will decline. According to MITI, there have recently been a growing number of corporations actively moving their R&D departments overseas to promote exchanges with foreign specialists researching in advanced technology areas.

In the area of relationship between employment and the industrial hollowing out, the study will dwell mostly on the conditions of the international division of labor between Japan and other Asian countries and also on the trend of wage changes. The ministry thinks "price-destructive" competition for lower prices will intensify in Asia and that with the ASEAN countries' economies growing, wage differentials between Japan and other Asian countries will narrow. In turn, this will mean the



manpower cost burdens for corporations operating overseas will rise, and this will bring adverse effects to employment and wages in Japan, the ministry thinks.

The ministry will also investigate the structural changes of the industries of the four regions—Japan, the United States, Europe, and Asia, excluding Japan—sequentially, and will analyze the characteristics of the structural changes for various industries, the impact of currency exchange rates, and the effects of the market liberalization policies of individual countries. MITI will also compare the theoretical industrial structure changes predicted at the time of labor and capital investments against what actually eventually happened, and will look into the causes of the gaps from the predictions, which could be government regulations or different commercial practices, for instance.

As for its segment on Japan, the study will analyze the relationship between the market liberalization policies of the past and actual import records. The study will also examine if there is any problem with manpower productivity. It will also take up the question of how the conditions of the industrial hollowing out varies with the size of companies, and will see how many small and medium businesses have lost their keiretsu-tied dealings as a result of the tendency of larger companies not to subcontract their work.

#### **EA To Offer Simulation Tech to China, Korea**

*952A0079A Tokyo NIHON KEIZAI SHIMBUN in Japanese 19 Oct 94 Evening Edition p 1*

[FBIS Translated Text] The Environment Agency [EA] will supply technology on environment simulation by computer to various Asian countries aiming at the prevention of global warming. They are transferring technology to China and South Korea as a first step in technology that is indispensable in drafting policy for curbing emissions of carbon dioxide (CO<sub>2</sub>), a substance causing global warming, without harming economic growth. It has been forecast that in the year 2000, Asia will be discharging about half of the world's CO<sub>2</sub>. EA is promoting early drafting of policy to curb CO<sub>2</sub> emissions in various Asian countries by providing the newest model.

The EA will supply a computer simulation model called "Asia-Pacific Bloc Warming Countermeasures Comprehensive Analysis Model (AIM)" which the National Institute for Environmental Studies and Kyoto University developed jointly. It can forecast by country 1) the effects of curbing the discharge of CO<sub>2</sub> by introduction of an environment tax or energy-saving technology and 2) increases in CO<sub>2</sub> emissions and rise in temperature accompanying population increases, destruction of forests, and corporate economic activities.

The National Institute for Environmental Studies invited researchers from the Energy Institute of China

and the Environmental Technology Development Institute of South Korea, and embarked on development of a computer model that met the actual conditions of each country. Beginning in 1995, they will expand technology transfer to India, Indonesia, and Malaysia. China will have the greatest amount of CO<sub>2</sub> emissions (forecast) and India will be in fourth place by 2000. For this reason, EA is giving priority in technology transfer to China and India in addition to neighboring South Korea.

For example, the introduction of a continuous casting system with a high energy-savings effect in ironworks is effective as a warming countermeasure in developing countries such as India. However, the point that facilities with a high energy-savings effect have a high cost has done harm, and introduction has been delayed. When using AIM, however, it can be conjectured how much corporations will judge that "early introduction of an energy-saving system will be advantageous in the long-term" if an environment tax is levied, and it can be used in drafting policy.

Up to now, there had been strong criticism from developing countries that "it has been a unilateral push by advanced nations which discharged large amounts of CO<sub>2</sub> in the past" with regard to the demand by advanced nations that developing countries curb CO<sub>2</sub> emissions. For this reason, friction between advanced nations and developing countries will also be avoided by EA's transfer of computer simulation technology that will serve in independent policy-drafting by developing countries.

#### **Editorial Views Basic Environment Plan**

*952A0077A Tokyo NIHON KEIZAI SHIMBUN in Japanese 16 Oct 94 p 2*

[FBIS Translated Text] The policy work on the "Basic Environment Plan" which the Central Environment Advisory Council has undertaken since the beginning of this year is nearing completion. Using the interim report (Interim Compilation for Studying the Basic Environment Plan) which was put together at the beginning of July as a sounding board, the whole nation was divided into nine blocks from Hokkaido to Kyushu and each council member heard the opinions of various levels of the public from August to September. Based on that, they are scheduled to make their report on the basic plan at the beginning of December.

The interim report cited the four items of circulation, symbiosis, participation, and international undertakings as the long-term objectives for protection and preservation of the environment. Among these, circulation is the realization of a recycling type of society, symbiosis is the coexistence between nature and man, participation is a society where every subject shares the burden equally, and international undertakings are the appropriate details as a whole aiming at environmental measures on a global scale.



The problem is how to clearly incorporate specific methods to realize these goals in an action plan.

According to the results of the hearings by area that were recently compiled, the people's concerns about environmental issues were stronger than expected and it is said that the council members were urged to go on in various areas. Based on the results of the hearings, I would like to stress the following three points.

First, as much as possible, specific numerical goals should be clearly stated in the basic plan on environmental standards and target values, as well as the time to reach the goals. In Japan, where vertical administration has strong roots, coordination between the various government ministries and agencies will be necessary even if numerical goals are established. The interim report cites as reference data target values for waste matter and recycling measures and social capital provision such as park area per city resident, in addition to environmental standards on the air, water, and soil. However, these numerical goals were created fragmentally by the various ministries and agencies. It will be an extremely difficult task to unite these into one, but they should make an effort to unify them as much as possible and incorporate them as numerical goals.

Second, specific methods for economic measures should be clearly incorporated as environmental measures. The introduction of an environment tax including a carbon tax to hold down the discharge of carbon dioxide probably can not be avoided at some time or the other, regardless of the introduction date, and diverse economic measures such as subsidies and a deposit refund system should be effectively used.

Third, it is necessary to strengthen the system in order to check the state of implementation of the environment plan. In the interim report, the Central Environment Advisory Council will be charged with that responsibility and "check the state of progress of policy, respond as necessary, report the direction of future policy to the government, and review the basic plan."

However, that is too weak. A system is desired which will check the status of progress every year and offer necessary advice. There are various methods, such as establishing a group of such experts as the subordinate organization of the Environment Advisory Council.

It will be a problem if it ends with compilation of the basic plan. The plan should be positioned as the important starting point for Japan to convert from an economic society that consumes large amounts of energy and resources to one that focuses on energy saving and resource saving.

### North Korea

#### Upcoming U.S.-ROK Military Exercise Denounced

SK2910135694 Pyongyang Korean Central  
Broadcasting Network in Korean 1222 GMT 29 Oct 94

[Commentary by Yun Pyong-son: "What Is an Eagle Aimed At?"]

[FBIS Translated Text] According to reports, a joint military exercise called Foal Eagle-94 exercise will be conducted in South Korea for one week from 1 November.

The war exercise will reportedly involve the majority of the U.S. troops in South Korea, and the South Korean puppet army and reserve forces. The war exercise is designed to test the command, control, and communications systems, and to provide field experience for the forces.

In light of its scale and purpose, one can easily see that the Foal Eagle-94 exercise has an extremely aggressive and provocative character. Foal Eagle-94 exercise is a premeditated commotion of playing with fire aimed at further aggravating the situation on the Korean peninsula and heightening North-South confrontation. The exercise is nothing but a grave confrontation to the ardent will and aspiration of the Korean people and the world's peace-loving people who look forward to peace and stability on the Korean peninsula.

As everyone knows, the agreed framework was adopted between the DPRK and the United States on 21 October. This agreed framework serves as a milestone in the ultimate resolution of the nuclear issue on the Korean peninsula and is a document of historical significance which greatly contributes to the peace and stability on the Korean peninsula.

Such being the case, the Korean people as well as the world's peace-loving people warmly welcomed the adoption of the agreed framework between the DPRK and the United States, and truly hope for its successful implementation.

The puppet Kim Yong-sam decided to conduct a large-scale joint military exercise, Foal Eagle-94, at such a time. This is a crime that can never be forgiven.

Not only the Korean people but the peace-loving people of the world cannot contain their anger over the Kim Yong-sam clique's criminal maneuvers to conduct the Foal Eagle-94 joint military exercise and strongly protest and denounce it.

The goal of the Foal Eagle-94 joint military exercise which the Kim Yong-sam clique plans to conduct is very clear; It is a very large-scale game of fire designed to burn [pul sarugo] the DPRK- U.S. agreed framework and turn the situation into a phase of confrontation and war.

The bastards, isolated and rejected at home and abroad, were compelled to accept the DPRK-U.S. agreed framework and made public worldwide that they would suspend the Team Spirit-94 joint military exercise. However, this has clearly proven to be a sophism and deception when they scheduled the Foal Eagle-94 joint military exercise, whose scale is the same as that of the Team Spirit-94 exercise. The bellicose colors of the Kim Yong-sam clique, which pursues tension and confrontation on the Korean peninsula, and its ambition to



achieve reunification by invading the North and defeating communism, have not changed in reality.

It is not difficult to predict that the Foal Eagle-94 joint military exercise will bring grave consequences to the situation on the Korean peninsula. If this criminal war exercise is conducted, the situation on the Korean peninsula will again be headed for a very dangerous brink of war, and North-South relations will turn into a tenser phase of confrontation. The Kim Yong-sam clique will bear full responsibility for all consequences and will not be able to escape from the strong protest and denunciation not only of the Korean people but of the people of Asia and the world.

The Kim Yong-sam clique must clearly see the trend of the times, immediately stop trying to recklessly play with fire, and act with discretion.

### **U.S.-South Joint Aerial War Exercises Decried**

*SK3010082794 Pyongyang KCNA in English 0819 GMT 30 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 30 (KCNA)—The U.S. imperialist warlikeness and the South Korean puppets staged one more adventurous joint air war exercise against the North in the sky above South Korea on October 27 and 28, according to military sources.

This provocative war game staged with the sky above Anmyon and Oeyon islets as the operational theatre involved tens of overseas-based fighter-bombers, pursuit planes and assault planes and over 490 fighter planes of various types belonging to the U.S. Airforce present in South Korea and the South Korean puppet airforce.

On October 27, the South Korean puppets staged a night attack exercise in Yangji-ri, Chorwon County, South Korean Kangwon Province, a frontline area. On the 28th, a tank group of the puppet army fired more than 30 shells, moving toward the Demilitarized Zone through the road along the southern bank of River Rimjin.

On the 27th and 28th, a 105 mm artillery group of the puppet army deployed in Chorwon County, South Korean Kangwon Province, and in Yonchon County, Kyonggi Province, fired as many as 400 shells toward the forefront area, while armed bandits of the puppet army fired more than 3,700 12.7 mm machine-gun and automatic rifle bullets from a nameless hill in Chorwon County, seriously getting on the nerve of the North.

### **DMZ 'Military Provocations' by South Condemned**

*SK2910043294 Pyongyang KCNA in English 0426 GMT 29 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 29 (KCNA)—The South Korean puppets committed military provocations in the Demilitarized Zone [DMZ] on October 26 and 27, according to military sources.

On the 26th, 20 odd puppet army soldiers armed with machine guns and automatic weapons swarmed into the DMZ of the eastern sector of the front and fired more than 60 bullets and armed bandits crawled into the DMZ of the central sector of the front and fired "M-16" automatic rifle bullets at random, inciting war fever.

On October 26 and 27, the puppets brought into the DMZ of the central sector of the front a 90 mm recoilless gun and a 12.7 mm large-calibre machine gun and took a sighting posture for long hours at the civil police of the North side.

The puppets drove over 200 armed bandits into the DMZ of the western sector of the front on October 26 and about 20 military vehicles carrying armed bandits and combat equipment into the DMZ of the central sector of the front on October 26 and 27, whipping up war hysterics.

### **ROK 'Puppet Prosecution' Decision Denounced**

*SK3010083494 Pyongyang KCNA in English 0826 GMT 30 Oct 94*

["Indulgences Issued to Criminals"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 30 (KCNA)—The South Korean puppet prosecution recently decided not to prosecute 38 persons including fascist dictators, Chun Tu-hwan and No Tae-u, against whom lawsuits had been filed for their December 12, 1979, military coup and ruled that no one had the right to institute a public action against nine persons including Chong Ho-yong, one of the criminals who committed massacre in Kwangju in May 1980, under the pretext of "extinction of prescription."

Commenting on this, a NODONG SINMUN analyst today says:

The Kim Yong-sam group granted indulgences to these truculent murderers without prosecution and detention, let alone punishment. This proves that this group and the military fascists are as like as two peas and the present regime is not a "civilian" regime but an extension of the fascist regime of the "Fifth and Sixth Republics."

It cannot be denied that the wreckers of democratic development, masterminds of the Kwangju bloodbath and military hooligans who blocked democratic development in South Korea at the point of the bayonet and plunged Kwangju into a sea of blood and, furthermore, imposed disasters upon the people with military fascist dictatorship must be punished. The fact alone that Kim Yong-sam who had advertised "civilian government" and "democracy" acquitted the chieftains of military coup of their treason reveals the falsity of his "reform and opening" and its limit.

The puppet prosecution said it pardoned the murderers because "it feared that, if they are prosecuted, that would entail political burdens." This was a confession to the



apprehension of Kim Yong-sam that he would meet his end if the forces of the "Fifth and the Sixth Republics" took up the cudgel against him who is already spurned by the people for his repeated policy setbacks.

It has become clear that there is nothing to be expected from Kim Yong-sam and his "civilian government."

The traitor Kim Yong-sam intends to resort to a more reckless crackdown on the people to iron out the crisis of his regime by openly winning over even the force of the military of "the Fifth and Sixth Republics." But this is a mistake.

### **'Democratisation' Drama of ROK Condemned**

*SK3110101594 Pyongyang KCNA in English 1008  
GMT 31 Oct 94*

["Racket of Those Moribund Against North"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 31 (KCNA)—The Kim Yong-sam group staged a drama called "a meeting for the promotion of the democratisation of the North" in Seoul on October 28, according to a report.

The Kim Yong-sam group made old traitors residing in Kazakhstan and Russia appear in the drama and twang the harp of "opening," "democratisation" and "restoration of human rights" in the North.

As for the old traitors, Kang Sang-ho, Chang Pong-hak and Pak Kap-tong who were invited to Seoul and used by the puppets as paid trumpeters in the confrontation against the North, they are wretches who are wandering about in alien lands after betraying the country and the nation long ago. They are prolonging their remaining days with a few dollars put in their hands by the puppets, throwing away the elementary conscience of humanity, to say nothing of creed.

The anti-North drama the puppets staged by inviting such human derelicts with one of their legs in their graves only indicates the miserable lot of the Kim Yong-sam group.

The Kim Yong-sam group cast off the "civilian" mask and arrest and imprison without mercy the people who rose up for independence, democracy, reunification and the rights to existence, wielding the bayonet under the terror-ridden "new security-oriented rule". Thus, South Korea has turned into a graveyard of democracy and barren land of human rights more suffocating than in the days of the "Fifth and Sixth Republics".

At the center of this theatre of fascist rowdyism they dared vilify the socio-political system of our republic where the independent and creative life of the people is in full bloom, keeping mum about their own anti-democratic violation of human rights. Can there be a more postposterous act than this?

Not much penetration is needed to see why the Kim Yong-sam group poured filth on the North by inviting traitors overseas.

The Kim Yong-sam group twisted and turned in a desperate bid to drive the DPRK-U.S. talks to a breakdown, crying for "an international cooperation system" and "sanctions" to slay fellow countrymen with the help of foreign forces, taking issue with the "nuclear issue" of the North, like a dog barking at the moon. But, with the talks coming to a successful conclusion, they have become a target of accusation and derision by the fellow countrymen and the world public.

On the contrary, the international prestige of the North that maintains independence and has its just demand met under any circumstances has risen higher than ever before. The puppets, dismayed at this, kicked up a dust against the North in a mean attempt to divert elsewhere the attention of the South Korean people.

Kim Yong-sam and co. without a drop of blood of the nation in their veins attempted to save their face by such an ill-advised trick after suffering a wholesale defeat in the confrontation against the North.

Regarding the anti-North racket of those in their deathbed as an unpardonable treacherous act, we will strictly settle account with them.

### **Daily: Kim Yong-sam Commits Acts Against Nation**

*SK2910102194 Pyongyang KCNA in English 1012  
GMT 29 Oct 94*

["Kim Yong-sam Will Have To Pay Dearly for His Acts Against Independence and Nation"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 29 (KCNA)—The traitor Kim Yong-sam will have to pay dearly for his crimes against independence and the nation, warns NODONG SINMUN today.

The news analyst says:

The South Korean people keenly feel through their experience that independence is vital to a social human being and it is the life and soul of the country and the nation.

The Kim Yong-sam clique of South Korea is a group of charlatans most destitute of independence in the world and flunkeyist traitors who depend on others without their own principle. This has been proved by the fact that since the spring of last year they have tried hard to hinder the government-level talks between the DPRK and the United States for a comprehensive solution to the nuclear issue on the Korean peninsula and the development of relations between the two countries.

No sooner had the traitor Kim Yong-sam taken office under the "civilian" veil in February last year than he joined the international reactionaries in the campaign



for "special inspections" of the DPRK and raised the settlement of the "nuclear issue" of the North as a "precondition for the improvement of the North-South relations." This was an act devoid of independence.

As is known to the world, the "nuclear issue" of the DPRK, over which some dishonest forces made a fuss, is a product of their anti-socialist, anti-DPRK campaign to isolate and stifle the DPRK.

Kim Yong-sam who goes under the name of "president" danced to the tune of outside forces seeking to expand the sphere of their domination at the expense of the Korean nation. He reduced the North-South agreement to a sheet of waste paper, froze the North-South relations and resumed the Team Spirit joint military exercises internally, claiming that "there can be no progress in the North-South relations without the settlement of the nuclear issue of the North," and externally entreated their masters not to hold talks with the DPRK.

The first round of talks between the DPRK and the United States gave the Kim Yong-sam group a serious lesson that it would get nothing from depending on outside forces and begging for their help, without its independence.

When the second and third rounds of talks started, however, Kim Yong-sam acted more viciously against independence and the nation.

Though we called for national cooperation in the North-South relations including the nuclear issue, the traitor Kim Yong-sam begged for an "international cooperation system" against the North and entreated outside forces not to accept the North-proposed package solution but to answer it with "military counteraction" and "sanctions." In exchange for this he opened the rice market and the arms market of South Korea.

The Kim Yong-sam group aggravated the tensions between the North and the South and drove the situation to the brink of war, bandying about such arguments as "southward invasion on June 25, 1950" and "imminent war."

When the DPRK and the United States were holding the second session of the third round of talks, the Kim Yong-sam group utterly bereft of reason spread a rumour about "possibility of the rupture of the talks," saying that its position was "nuclear transparency first, and provision of light water reactors next."

What did the group get from its trust in outside forces and its reckless acts without independence and faith? As the saying goes, the dog barked and the procession went ahead. The DPRK-USA talks made headway and a historic framework agreement was adopted between the DPRK and the United States. Kim Yong-sam finds himself in the poor lot of a dog barking at the moon and has become a target of criticism and scorn of the fellow countrymen and the world.

History can and will never be manipulated by a handful of fools like Kim Yong-sam who without independence, philosophy and faith stands against the aspiration of the times and the nation. The Kim Yong-sam group has fallen into a hopeless pitfall dug by itself while rashly trying to block the current of historical development, ignoring its law.

The terminal of the colonial puppets who seek a way out in dependence on outside forces, going against the trend of the times and ignoring the dignity and interests of the nation, when it is the main stream of history to defend the independence of the country and the nation, is the dustbin of history.

### Kim Yong-sam's 'Nation-Selling Acts' Criticized

SK2910070294 *Pyongyang Korean Central Broadcasting Network in Korean* 0630 GMT 28 Oct 94

[Unattributed talk: "Destruction Is the Only Result for Those Who Are Devoted to National Treason"]

[FBIS Translated Text] Currently, the world's peace-loving people, as well as the whole nations of the North, South, and overseas, are actively supporting and welcoming the DPRK-U.S.A. agreed framework [kibonhabuimun] concluded between the DPRK and the United States on 21 October. This agreed document [habuimun] is one of the milestones reflecting concrete methods to resolve fundamentally the nuclear issue stemming from the abnormal [pijongsangjogin] relations between the DPRK and the United States, and it is a document of great historic significance.

Truly, the adoption of the agreed document is a great event never before seen in the 5,000-year history of our nation and the world's history. At a time when the world is seething before this historic event, only the Kim Yong-sam ring—a treacherous group, which is not even a handful—is pawing the air like the dog who chasing after a chicken, looks at the roof.

With the adoption of the agreed framework between the DPRK and the United States, discord and discrepancy intensified within the puppet ruling group and voices of denunciation are increasing among the dissidents and people. Therefore, the Kim Yong-sam ring is experiencing the greatest ruling crisis since he took power.

When the agreed framework was announced, Kim Yong-sam and Chongwadae [presidential offices] aides did not know what to do, falling into an awkward position. The puppet military, the Agency for the National Security Planning, and the conservative forces of the Sixth Republic with vested rights are making a stir and are even openly saying that they must take the initiative.

The ruling Democratic Liberal Party [DLP] is wrapped up in a state of stupor and is all flustered at the strong charges made by the opposition party saying: It serves you right for falling into the water for not listening to our words and flustering about; Kim Yong-sam is indeed the



ringleader causing confusion; if those fools are left alone not even one day will be comfortable.

The Kim Yong-sam ring has fallen into a crisis of a dilemma. This is an inevitable product brought about by the rascal's anti-independence and antinationalism.

The great leader Comrade Kim Il-song has taught: Independence is not only the life of every person, but it is the life of the country and nation, and moreover, it is life of the common man.

Independence is not only the life of every person, but it is the life of the country and nation. Independence opposes all kinds of domination, subordination, and outside forces. Rather, it has faith in its strength, thinks according to its own mind, and deals with all problems with a right mind according to its nation's interest.

As shown through historic experience, if a person is a flunkeyist he becomes a fool, if a nation becomes a flunkeyist nation it is ruined, and if a party becomes a flunkeyist it ruins the revolution and construction. Therefore, the struggle to defend independence is a problem related to the existence of the nation, which is being carried out in all nations and countries.

Regardless of any continent and region, the world is currently constructing a state and developing an economy with the nation as a unit. Independence is life to any nation. In particular, independence is a political philosophy that must be thoroughly defended and adhered to, even more by smaller countries.

Nevertheless, the Kim Yong-sam ring abandoned independence, is indulging in flunkeyist nation-selling acts, and has been carrying out foolish acts trying to solve all problems by currying favor with outside forces. The Kim Yong-sam ring's flunkeyist nation-selling acts and antinational acts were all the more plain during the whole process of the DPRK-U.S. talks.

The fact that the Kim Yong-sam puppet traitor came forth with our nonexistent so-called nuclear issue after seizing power is an act that shows no independence. Under the pretext of our so-called nuclear issue, the rascal begged the masters to pressure us, the fellow countrymen, and earnestly requested the outside forces not to hold talks with us.

As such, externally, the Kim Yong-sam ring carried out a solicited diplomacy to prevent the DPRK-U.S. talks from being held; internally, he made an agreement on reconciliation, nonaggression, and cooperation and exchange between the North and South adopted at the North-South high-level talks into a piece of trash at its implementation stage; and did not hesitate the act of resuming the Team Spirit joint military exercise, a nuclear test war and preliminary war, which was already suspended.

The North's nuclear issue was made by outside forces to obliterate our Republic. It is very unjust. Nevertheless,

by following this, the Kim Yong-sam ring, which is running amok in the maneuver to crush [apsal] the fellow countrymen and carrying out begging diplomacy, is indeed a colonial slave that does not in the least have independence.

Despite the Kim Yong-sam ring's desperate and obstructive maneuvers, however, the DPRK-U.S. talks were held in June last year. During the talks, they issued a joint statement ensuring the guarantee of not using force of arms, including nuclear weapons, nor posing a threat with such arms.

The Kim Yong-sam ring have more viciously maneuvered to put a check again on the second round of DPRK-U.S. talks, instead of learning a lesson from the first round. They have begged masters for sanctions, while talking about an international cooperation system to crush [apsal] us. Also, they have led our country to a situation on the brink of war by conducting war exercises every day, including the Ulchi exercise.

However, the second round of DPRK-U.S. talks were held in Geneva. During the talks, they reconfirmed the principles of the DPRK-U.S. joint statement.

The Kim Yong-sam ring's maneuvers have been more openly conducted to block the third round of DPRK-U.S. talks. In particular, the Kim Yong-sam clique itself has committed an absurd act of pursuing begging diplomacy [kugol woegyo] in order to achieve, without fail, an international cooperation system against us.

The Kim Yong-sam clique, who visited his master on November last year, begged him not to accept the plan of a package-deal proposed by the North, but instead asked him to build an international cooperation system to crush the North. In return for this, he has even committed an act of serving South Korean markets for his master.

Although the puppet Kim Yong-sam clique even took off his undershirt [sokchima kkaji poso] and provided it for his master, the first session of the third round of the talks was held in August, and an agreement was issued during the session.

If the Kim Yong-sam clique could judge the problems with a sane spirit, it should have admitted to its antinational act, instead of sticking to the clumsy begging diplomacy. However, the Kim Yong-sam ring were terribly busy by talking about the guarantee of nuclear transparency and the support for replacing a graphite-moderated reactor with a light-water reactor.

One can well understand why the people throughout the world criticize the puppet Foreign Minister Han Sung-chu as poor doorman of the White House, or as a shaggy dog living in the sky over the Pacific. [referring to Minister Han's frequent trips from South Korea to the United States]



The Kim Yong-sam ring have challenged us, who maintain independence, by stating before their masters that the speed of talks are being accelerated, that more concessions are being made, and that a strong and highhanded position should be taken. They have conducted various acts of begging their masters.

Predicting the rupture in the second session of the third round of the talks, the Kim Yong-sam ring have successively shown farces, such as a so-called meeting of security-related ministers, by babbling about the resumption of the Team Spirit war exercise. By so doing, they have kicked up a great commotion of tensions.

However, the second session of the third round of DPRK-U.S. talks adopted a historic and basic agreement, reversing their prediction. The Kim Yong-sam ring has gained nothing, even if they have stuck to their masters' trouser legs by neglecting their independence. They have only exposed their miserable and ugly appearance as stooges to the world.

Therefore, the Kim Yong-sam ring cannot blame anyone for the outcome of the DPRK-U.S. talks. This is a great defeat resulting from the anti-national act and begging diplomacy the Kim Yong-sam ring themselves conducted. The last days of the colonial servants, who want to maintain the reminder of their doomed life by relying on outside forces, can never be different from it. The DPRK-U.S. basic agreement will be good for either the South Korean people or the nation. It will never be bad for them. Therefore, the South Korean people have already given a warning to the Kim Yong-sam ring regarding their anti-independent and antinational act.

Today's reality clearly shows how wise the South Korean people's warning against the Kim Yong-sam is and how poor the figures—who refused the demand of the people—are. The Kim Yong-sam ring has no philosophy, faith, and consistent nature. When they were in the opposition party, they walked on a tightrope. After taking power, they are also walking on a tightrope and continuously committing act as servants.

Through their life experience up to date, the South Korean people are aware that they cannot entrust their destiny to a treacherous group like the Kim Yong-sam clique. The South Korean people will smash [tado] the Kim Yong-sam ring, antinational group, and build an independent power.

**UN Envoy Delivers Speech at 49th UNGA 21 Oct**  
*SK3010125894 Pyongyang Korean Central*  
*Broadcasting Network in Korean 0819 GMT 29 Oct 94*

[FBIS Translated Text] On 21 October, a representative of our country delivered a speech at the First Committee of the 49th UN General Assembly [UNGA].

In his speech he stated: After the end of the Cold War, reality shows that the world still is threatened by war and tension [turyoum], including a nuclear war. The danger

of nuclear war and nuclear proliferation will not be reduced unless the nuclear possessing countries take meaningful measures with a will and determination that they will not produce nuclear weapons, but abolish them unconditionally instead.

Referring to the extension of the period of time that the Nuclear Nonproliferation Treaty [NPT] will be in effect, he stated that the NPT should play a role in achieving the complete elimination of nuclear weapons and in removing the danger of nuclear war from the earth forever.

He pointed out: The NPT allows nuclear states to legally possess nuclear weapons and use them, but it is an unfair treaty because it requires non-nuclear countries to unilaterally abide by the nuclear nonproliferation obligation. To indefinitely extend the treaty unrevised is to ultimately grant the nuclear states with a legal right to have a monopoly on nuclear weapons and their use. Also, this indicates that the world should live forever under the danger of nuclear war.

He stated: The nuclear countries should unconditionally guarantee that they will not use nuclear weapons against non-nuclear states. They should sign a treaty indicating that they will not use nuclear weapons first, and that they will not produce or use them at all. Also, they should present a timetable to completely eliminate nuclear weapons.

Referring to a resolution adopted at the 46th UN General Assembly regarding the establishment of a weapon registration system, he stated that because the weapon registration system is aimed at building trust and achieving disarmament, it should be faithful to the goal it has put forth.

He stated: The confrontation structure between the East and West collapsed and the end of the Cold War has been announced throughout the world, but the Northeast Asian region is still regarded as an unstable area that has failed to escape from the Cold War. Conflicts and confrontation in the area are deteriorating with each passing day.

He pointed out: The most unstable area in the world is the Korean peninsula where a considerable number of arms are deployed along the Military Demarcation Line. Peace and stabilization in the Northeast Asian region and, furthermore, peace and stabilization in the world are directly related to the development of the situations on the Korean peninsula. It is very important to basically resolve the nuclear issue to ease tensions and to maintain durable peace on the Korean peninsula. Judging from the background of its birth, or its character, the nuclear issue on the Korean peninsula is, in essence, a political and military issue that should be resolved between the DPRK and the United States. The nuclear issue on the Korean peninsula is a matter resulting from the United States creating a nuclear threat to isolate and crush [malsal] us, posing a nuclear threat to us by introducing



nuclear weapons into South Korea. Therefore, this issue cannot be resolved by a technical and businesslike method, such as the inspection by the International Atomic Energy Agency [IAEA] [kuromuro i munjenun kukchewonjaryokkiguui sachalkwa katun kisul silmujok pangbopuro haegyoltoel su otta].

Furthermore, because the IAEA has further expanded unfairness with its prejudice against us, by using its responsibilities as an excuse, it is obvious that we will never accept it [uriga kugosul choltaero yongin halsu opnun kosun chamyonghada]. We have maintained the position that the nuclear issue on the Korean peninsula should be resolved through dialogue and negotiations between the DPRK and the United States.

Comrade Kim Il-song, the great leader of the Korean people, met with former U.S. President Carter—who visited our country—in June and stated that building trust between the DPRK and the United States is the basic method to resolve the nuclear issue. Also, he stated that the nuclear issue should be resolved through dialogue and negotiations between the DPRK and the United States.

During the third round of DPRK-U.S. talks held in Geneva in August, the final destination the DPRK and the United States—which have abnormal relations—have to reach was clearly specified and, also, an agreement was reached.

He pointed out: General Kim Chong-il, chairman of the DPRK National Defense Committee and the supreme commander of the Korean People's Army, has ordered the head of the DPRK delegation to the DPRK-U.S. talks to sign the basic agreement. The agreement adopted at the talks is an important document that specifies the obligations of the two sides in order to resolve the nuclear issue. This includes the issues of the DPRK and the United States replacing the graphite-moderated reactor with a light-water reactor in the Republic; of normalizing political and economic relations between the DPRK and the United States; of ensuring the denuclearization, peace, and security on the Korean peninsula; and of strengthening the nuclear nonproliferation system. Because it comprehensively defines the two sides actions and measures [haengdong chochi], the basic agreement becomes a milestone in resolving the nuclear issue on the Korean peninsula.

The DPRK's consistent position to resolve the nuclear issue and its positive initiatives have been sufficiently and satisfactorily [chungbunhago manjoksuroppe] reflected. The South Korean authorities have attempted to put the brakes on the DPRK-U.S. talks by persistently calling on the United States not to make concessions to the DPRK and by being very ill at ease about the talks whenever they proceed positively. However, like the proverb a train can move even if a dog barks, the DPRK-U.S. talks ended successfully.

We like to emphasize that the South Korean authorities and some countries surrounding the peninsula—which

do not want to resolve nuclear issue peacefully—should not attempt to create obstacles in the implementation of the basic agreement, and that it would not be good for them if the nuclear issue on the Korean peninsula is not resolved smoothly. Removing the distrust between the DPRK and the United States that has continued for nearly half a century is not an issue that can be settled in a day. It is clear that the nuclear issue on the Korean peninsula will be resolved satisfactorily if trust between the DPRK and the United States is created, the confrontation concept [taegyol kwannyom] between the two sides is dissolved, and the basic agreement is thoroughly implemented.

The important problem in easing tensions and securing peace on the Korean peninsula is to replace the Korean Armistice Agreement with a peace agreement and to build a new peace arrangement that will replace the current armistice system.

The Korean Armistice Agreement signed in the 1950's was a provisional measure that stipulated that the warring parties would cease military action and that foresaw that the agreement would be replaced by a peace agreement.

As stipulated in Paragraph 60 of Article IV of the Armistice Agreement, a political conference of a higher level was supposed to discuss the issue of ensuring a stable peace on the Korean peninsula. However, a political conference could not be convened, and an unstable armistice has continued.

The current Armistice Agreement and armistice mechanism are so nominal that they cannot prevent the introduction of nuclear weapons into South Korea, military buildup, large-scale military exercises, the breakout of another war, and any other accident, big or small. For this reason, the government of our Republic last April proposed to the U.S. side that negotiations be held to dismantle the outdated armistice mechanism and build a new peace arrangement and presented a concrete proposal.

The Korean-Chinese side's delegation, a signatory to the Armistice Agreement, withdrew from the Military Armistice Commission and the Panmunjom Mission of the Korean People's Army opened. As a result, a foundation has been built to solve the problem of peace and security on the Korean peninsula through negotiations. Under circumstances in which the North and South promised nonaggression in the Agreement on Reconciliation, Nonaggression, and Cooperation and Exchange Between the North and South, if a new peace mechanism is built, peace and security will be legally ensured in this region.

In connection with this, we think that the United Nations must pay due attention to the fact that it lent its name when the Armistice Agreement was signed and that today, as well, it, as a warring party [kyojon ilbang], is flying its flag opposite ours in the Demilitarized Zone. We also think it must do its duty to ensure a stable peace on the Korean peninsula.



If the United Nations fails to correct its past acts in connection with the Korean issue, small countries, an absolute majority, will doubt further its trustworthiness in the future. A stable peace and security on the Korean peninsula is unthinkable apart from the country's reunification. The Government of the Republic and the people presented the three principles of independence, peaceful reunification, and great national unity and advanced a series of proposals for reunifying the fatherland, including the proposal of founding a Democratic Confederal Republic of Koryo, and have made persistent efforts to implement those proposals.

The 10-point program of the great unity of the entire nation, which the great leader of our people Comrade Kim Il-song presented in April of last year, is a programmatic guideline for bringing an end to the history of division and confrontation and achieving Korea's independent, peaceful reunification.

The 10-point program revealed that after leaving the present two systems and two governments intact, the North and South must build a pannational reunified state that can represent members of all parties, factions, and walks of life and that this state, as a confederate state in which the two governments of the North and South participate on an equal basis, must be an independent, peaceful, and nonaligned neutral state that does not tilt toward any powerful country.

If a pannational reunified state is established based on the confederal system, the denuclearization of the Korean peninsula, the reduction of arms, the alleviation of tension, and all other issues concerning ensuring peace will be resolved.

Basic obstacles to humanitarian exchange, dialogue, and contacts between the North and South is the National Security Law of South Korea, which considers the fellow countrymen as an enemy, and the concrete wall, the symbol of division and confrontation. Therefore, to facilitate free visits, contacts, and cooperation and exchange between the North and South and promote great national unity, all legal and physical obstacles must be removed. This is the unanimous demand not only of all Korean people, but of the people of the world and the trend of the times.

We will continuously make efforts to reunify the country, even though there are still numerous difficult obstacles on the way to reunification.

#### **Ministry Spokesman on Jordan-Israel Peace Treaty**

*SK2910103594 Pyongyang KCNA in English 1026 GMT 29 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 29 (KCNA)—A spokesman for the Foreign Ministry of the Democratic People's Republic of Korea on October 29 answered a question put by KCNA as regards the peace treaty signed between Jordan and Israel recently.

The spokesman said:

On October 26, Jordan and Israel signed a peace treaty in the border area of the two countries.

In the peace treaty, the two sides agreed to recognise and respect each other's sovereignty and the borderline, establish full diplomatic relations and cooperate with each other in various domains.

The government and people of our Republic have respected the options and will of the Arab people including the Jordanians and supported their efforts for a peaceful settlement of the Mid-east issues.

The Mid-east peoples are responsible for the issues in this region.

We think that the peace treaty signed this time is good, if it helps toward the acceleration of the Mid-east peace process and toward a package solution to the Mid-east issues.

We hope that Israel will completely withdraw from the Golan Heights of Syria, southern Lebanon and all other occupied Arab lands and a comprehensive and durable peace will settle down in this region as soon as possible.

Our people will as in the past, so in the future, too, stand firmly on the side of the Arab people in their efforts for a fair and peaceful solution to the Mid-east issues.

#### **O Chin-u Sends Condolences to PRC Minister**

*SK3010081694 Pyongyang KCNA in English 0811 GMT 30 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 30 (KCNA)—Marshal of the Korean People's Army O Chin-u, minister of People's Armed Forces, sent a message of condolence to Chi Haotian, minister of National Defence of the People's Republic of China, on the death from illness of Yang Dezhi, former member of the Standing Committee of the Central Advisory Commission of the Communist Party of China and former chief of the General Staff of the Chinese People's Liberation Army.

The message said the feats performed by Yang Dezhi for the strengthening and development of the Chinese People's Liberation Army and Korea-China friendship would remain forever in the memory of the Korean people.

#### **Source: Pyongyang Ready To Resume Japan Talks**

*OW3110081694 Tokyo KYODO in English 0752 GMT 31 Oct 94*

[FBIS Transcribed Text] Tokyo, Oct. 31 KYODO—North Korea is ready to resume talks with Japan to normalize bilateral relations, the ASAHI SHIMBUN newspaper reported Monday [31 October], quoting "a



source very close to Kim Chong-il," son and heir apparent of the late President Kim Il-song.

The source said Pyongyang is ready to resume negotiations and normalize relations with Japan "at any time" after North Korea and the United States brought about a framework nuclear agreement, the daily said in the evening editions.

The report quoted the source as saying normalization of bilateral ties depends on how much Tokyo is willing to promote them.

Normalization talks have been deadlocked since November 1992, when North Korea walked out in protest at Japan's requests to confirm the safety of a Japanese woman called Yi Un-hye, who Tokyo believes was abducted by North Korean agents.

The remarks were made immediately after the Oct. 16 ceremony in Pyongyang to commemorate the 100th day of the death of Kim Il-song, the report said. Pyongyang and Washington signed the nuclear pact on Oct. 21.

The ASAHI heard the comments from Julie Moon, editor of the Washington-based U.S. ASIAN NEWS, who recently visited Pyongyang. Moon has met Kim Il-song and Kim Chong-il a number of times, the paper said.

Moon said Kim Chong-il looked more healthy than at the time of his father's funeral in July, but is unlikely to succeed the late Kim as general secretary of the ruling Workers Party of Korea by the end of the year, saying he has to reshuffle personnel.

The source also said the resumption of dialogue between North and South Korea may be delayed because South Korean President Kim Yong-sam has failed to express his condolences over the death of Kim Il-song in July, the daily said.

Pyongyang, however, still adopts the basic position of promoting Pyongyang-Seoul dialogue, realizing an inter-Korean summit and paving the way for unification of North and South Korea, the source said.

**Newspaper Condemns Japanese 'Militarism'**  
*SK2910045994 Pyongyang KCNA in English 0443  
GMT 29 Oct 94*

[**"They Must Not Act Rashly"**—KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 29 (KCNA)—The Japanese trade minister, answering a Diet interpellation recently, said that "It is hard to define the Pacific War as a war of aggression" and the chief cabinet minister defended him.

Commenting on this, a NODONG SINMUN analyst today says:

This indicates that the Japanese reactionaries do not repent of the past crimes at all.

A string of words for whitewashing the past of Japan that have rolled off the tongues of Japanese cabinet ministers reveal the intention of the Japanese reactionaries to take the road of Asian aggression again.

Over the nearly half a century after the war, Japan has accelerated her conversion into an economic and military power in breakneck speed. Now she is capable of manufacturing nuclear weapons any time it wants and possessed of sufficient capabilities of military operation to embark upon overseas aggression in any part of the world.

What remains to be done is to create a favorable social climate for mobilising all the human and material resources of Japan in overseas aggression without difficulty. They seek to paralyse the healthy psychological and mental life of the Japanese people and instil the venom of militarism into their minds to make a hurricane of militarism sweep the whole country.

All this goes to prove that the intention of the militarist forces is, in actuality, being promoted and carried into practice as a government policy.

The Japanese reactionaries must clearly know that history can never be forged and overseas aggression leads one to self-destruction.

The militarist forces of Japan must not roister and swagger.

**Law on Japan's Self-Defense Forces Condemned**  
*SK3010083994 Pyongyang KCNA in English 0831  
GMT 30 Oct 94*

[**"They Dig Their Own Grave"**—KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 30 (KCNA)—The Special Committee on Security of the House of Representatives of Japan passed "an amendment to the law on the Self-Defence Forces" including the dispatch of planes for "the rescue of Japanese abroad in case of emergency".

Commenting on this, a NODONG SINMUN analyst today views this as one more dangerous step in the overseas aggression moves of the Japanese militarists.

The analyst says:

The "rescue of Japanese overseas in case of emergency" on the lips of the Japanese reactionary circles is no more than a pretext to justify the overseas dispatch of arms equipment and military operations of the "Self-Defence Forces".

They try to realise their sinister scheme under the cloak of the "rescue of Japanese overseas in case of emergency" when the overseas dispatch of Japanese Armed Forces invited protest and opposition at home and abroad.



The Japanese militarist forces are now trying to justify the overseas dispatch of the Japanese Armed Forces and openly commit military intervention and armed action for establishing their international domination by peddling the faked ware of "rescue of Japanese overseas", a modern version of the past aggressive doctrine of "protection of overseas residents".

One of Japan's objectives in seeking a permanent seat of the U.N. Security Council is also to create a favourable international atmosphere for military activities abroad and launch into a full-scale military expansion overseas by abusing this post.

The Japanese reactionaries have designated Korea as an object of "the operation for the rescue of Japanese overseas". They intend to realize their dream of reinvansion by hurling the "Self-Defence Forces" under the pretext of "protection and rescue of Japanese" in South Korea in "case of emergency on the Korean peninsula".

This is as good as digging their own grave.

The Japanese reactionaries must stop the foolish act and behave with discretion.

#### **Choe Meets LPA General Political Delegation**

*SK3110152094 Pyongyang KCNA in English 1514 GMT 31 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 31 (KCNA)—Choe Kwang, chief of the General Staff of the Korean People's Army [KPA], today met and had a friendly conversation with a delegation of the General Political Department of the Laotian People's Army [LPA] headed by Col. Gen. Siphon Phalikhan, vice-minister of defence and director of the department.

Noting that he felt alot through a visit to a KPA unit, the head of the delegation said:

"The KPA has strengthened and developed to be invincible revolutionary Armed Forces under the wise guidance of the great leader of the Korean people Comrade Kim Il-song and the dear leader Comrade Kim Chong-il. They reared the soldiers to be a-match-for-a-hundred revolutionary army.

"We have been deeply moved by the fact that the KPA has not only been prepared politically and ideologically but equipped with modern military technology.

"I think the KPA's political and ideological unity and combat power of each being a match for a hundred are the reasons why the enemy is fearful of the KPA.

"The validity of the slogan 'a-match-for-a-hundred' set by the great leader Comrade Kim Il-song has been proved through practice.

"The guidance of the great leader Comrade Kim Il-song and he dear leader Comrade Kim Chong-il is, indeed, wise. It is difficult to see such a wise guidance in any other place of the world."

#### **Kim Chong-il Thanks People for Condolences**

*SK2910015594 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 28 Oct 94*

[FBIS Translated Text] The dear leader Comrade Kim Chong-il, the great leader of our party and people, sent a message of thanks to all people on 28 Oct who expressed deep condolences over the great leader Comrade Kim Il-song's death.

The message of thanks reads:

Message of thanks.

To all people who expressed deep condolences over the great leader Comrade Kim Il-song's death.

We have parted forever with Comrade Kim Il-song, the great leader of our party and people, amid great sadness. The loss of the great leader, who led our people to the single road of victory while always living amongst the people in his 80-odd years, is the greatest sadness our nation has faced in its 5000-year-old history, and is the greatest loss that cannot be recovered by anything.

Deeply aware of the greatness of the respected and beloved Comrade Kim Il-song, the man we have upheld as the leader, throughout the whole course of carrying out the revolution and construction, our people became even more keenly aware of his greatness after losing the leader.

Because of the bitterness that came from the bottom of their hearts, hot tears were shed by our party members and working people and South Korean people, overseas compatriots, and all 70 million Korean people who heard the unexpected sad news of the passing away of the great leader who had undergone all kinds of hardships during his whole life and provided boundless glory and happiness for our people.

All people throughout the country—our working class people, cooperative farmers, officers and men of the People's Army, intellectuals, youth, students, to children—who have embarked upon a single road of loyalty, deeply bearing in their hearts the great fortune of the nation in upholding the great leader Comrade Kim Il-song as the leader—are overwhelmed by a great sadness that cannot be described in words. All of them expressed deep condolences over his death in an agitated manner.

In the future, too, all of our party members and people, as they did in the past, will uphold the leader forevermore at the bier of the respected and beloved leader. They have cherished a resolution of loyalty over and over again to endlessly achieve the leader's intent during his lifetime under the leadership of the party.

I was greatly encouraged and deeply impressed by our people's boundless feelings of adoration for the great leader who is always in their mind and the enthusiastic loyalty of all the people who are determined to uphold



the leader forever, generation after generation. Seeing the waving throngs of the mourning people that flowed endlessly, be it rainy or deep at night, as they visited the great leader's statues at Mansudae Hill in the capital city and in other places with historical backgrounds across the country, I felt all the more warmly that our people are truly great and excellent people and that we are blessed with good people.

The invariable feelings of condolences of all the people at the leader's passing and their resolution to follow the leader's teachings he left them were the powerful demonstration of our great wholehearted unity with which the leader, the party, and the masses are firmly united into one great family. I am very grateful to all the people, including our heroic working class, cooperative farm peasants, the officers and men of the People's Army, the intellectuals, and the students, and to the South Korean people and the overseas compatriots who expressed such profound feelings of condolences at the passing of the respected and beloved Comrade Kim Il-song and are firmly resolved to faithfully follow the leader's teachings he gave them in his lifetime, overcoming the great sorrow of losing the leader.

At the sad news of the respected and beloved leader Comrade Kim Il-song's passing, the leaders, figures from all strata, and people from broad segments of many countries of the world expressed condolences from the bottom of their hearts and sent us their deep consolatory messages. I am very grateful to them and will never forget it.

To defend, adhere to, and inherit and develop the revolutionary ideology and revolutionary achievements of the leader who initiated the revolution is the fundamental assurance for the victory of the revolution and the noble duty of those who are engaged in the revolution. Our party will keep the revolutionary ideology of the great leader Comrade Kim Il-song as its sole guiding policy, resolutely defend and adhere to the *chuche* revolutionary tradition and immortal revolutionary achievements that the leader accomplished, and fulfill the *chuche* revolutionary cause that the leader pioneered.

Cherishing deep in my heart our people's absolute trust in and expectations of our party, I will devote my all to the country and the people. I hope that all the people will convert their sorrow of losing the respected and beloved leader into hundred- and thousand- fold strength and courage and wage a more vigorous struggle to fulfill brilliantly the *chuche* revolutionary cause on which the leader concentrated his great pains and care till the last moment of his life.

[Signed] Kim Chong-il, 28 October 1994

#### **'Full Text' of Message Published**

SK2910042994 *Pyongyang KCNA in English* 0418  
GMT 29 Oct 94

["Comrade Kim Chong-il Sends Message of Thanks to Entire People"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 29 (KCNA)—The great leader of our party and our people Comrade Kim Chong-il, chairman of the National Defence Commission of the Democratic People's Republic of Korea and supreme commander of the Korean People's Army, sent a message of thanks to the entire people.

Follows the full text of the message:

#### **Message of Thanks:**

To the entire people who deeply mourned the death of the great leader Comrade Kim Il-song:

We bade our last farewell to Comrade Kim Il-song, the great leader of our party and our people, in great sorrow.

The passing away of the great leader, who led our people along the road of victory, always finding himself among them for over eighty years of his life, was the bitterest grief ever in our nation's history of five thousand years and the biggest loss which could not be made up for with anything.

In the whole course of carrying on the revolution and construction under the guidance of the respected leader Comrade Kim Il-song, our people deeply felt what a great man they had as their leader, and now that they have lost him, they feel it more keenly.

Upon receiving the unexpected sad news that the great leader who had brought great glory and happiness to our people, going through all hardships throughout his life, passed away, not only our party members and working people but also the South Korean people and our overseas compatriots—all the 70 million Korean people—shed hot tears, unable to repress their bitterness filling their hearts.

The entire people across the country—our working class and cooperative farmers, People's Army officers and men, intellectuals, youth and students, and even children, who had all along been loyal to the great Comrade Kim Il-song, deeply cherishing the big fortune of the nation in having him as their leader, burst into convulsive fits of sobbing in indescribable sorrow and all of them expressed their deepest grief as mourners.

All our party members and people repeatedly made oaths of loyalty before the bier of the respected leader to uphold the leader forever in the future as they had done in the past and accomplish his behests under the leadership of the party.

I got enormous strength and was deeply moved by the deepest reverence of our people earnestly longing for the great leader and the intense loyalty of the entire people who are resolved to uphold him forever through the generations.

Watching the endless flows of people paying mourning visits to the statues of the great leader on Mansu Hill in the capital and at historical places all over the country,



even in rainy days and at deep nights, I felt more intensely that our people are really a great and admirable people and that we are blessed with a wonderful people.

The unanimous mourning of the entire people over the death of the leader and their loyal oaths to fulfil his behests powerfully demonstrated our great singlehearted unity in which the leader, the party and the masses form a large family in a harmonious whole.

I extend warm thanks to our heroic working class, cooperative farmers, officers and men of the People's Army, intellectuals, youth and students and all other people, the South Korean people and the Koreans overseas who so deeply mourned over the death of respected Comrade Kim Il-song and are firmly determined to overcome their sorrow at the loss of the leader and faithfully fulfil his behests.

The leaders and personages of various circles and broad sections of people of many countries, upon hearing the sad news of the death of the respected leader Comrade Kim Il-song, all expressed heartfelt condolences and extended deep consolation to us. I am very grateful for this and will always remember this.

To defend and carry forward generation after generation the revolutionary idea and achievements of the leader who started the revolution is a fundamental guarantee for victory in the revolution and a noble duty of revolutionaries.

Our party will maintain the revolutionary idea of the great leader Comrade Kim Il-song as the only guiding principle, resolutely defend the revolutionary traditions of *chuche* established by the leader and his immortal revolutionary achievements and accomplish the revolutionary cause of *chuche* started by him.

I will as ever devote my all to the country and the people, bearing deep in mind our people's absolute trust in and expectation for our party.

I hope the entire people will change the sorrow at the loss of the respected leader into a thousand-fold strength and courage and more vigorously fight to creditably accomplish the revolutionary cause of *chuche* to which the leader devoted so great efforts as well as his heart and soul till the last moments of his life.

[Signed] Kim Chong-il, October 28, 1994.

### **'Singlehearted Unity' Stressed**

*SK2910041394 Pyongyang KCNA in English 0405  
GMT 29 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 29 (KCNA)—The great leader of our party and our people Comrade Kim Chong-il in his message to the entire people on October 28 extended warm thanks to all the Korean people in the North, South and overseas for their deep mourning over the death of the great leader Comrade Kim Il-song and said he felt very grateful to the

leaders, figures of various circles and people of broad strata of many countries of the world for their heartfelt condolences and would always remember this.

Comrade Kim Chong-il said:

I got enormous strength and was deeply moved by the deepest reverence of our people earnestly longing for the great leader and the ardent loyalty of the entire people resolved to uphold him forever through generations.

The entire people's mourning over the death of the leader and their loyal oaths to fulfil his behests powerfully demonstrated our great singlehearted unity in which the leader, the party and the masses form a large family in an integral whole.

To defend and carry forward generation after generation the revolutionary idea and achievements of the leader who started the revolution is a fundamental guarantee for victory in the revolution and a noble duty of revolutionaries.

Our party will keep the revolutionary idea of the great leader Comrade Kim Il-song as the only guiding principle, resolutely defend the revolutionary traditions of *chuche* established by the leader and his immortal revolutionary achievements and accomplish the revolutionary cause of *chuche* started by him.

I will as ever devote my all to the country and the people, cherishing deep in mind our people's absolute trust in and expectation for our party.

### **Officials Hold Meetings on Message**

*SK3010085094 Pyongyang KCNA in English 0840  
GMT 30 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 30 (KCNA)—Meetings are taking place in all parts of the country to convey the message of thanks sent by the great leader of our party and our people Comrade Kim Chong-il, chairman of the National Defence Commission of the Democratic People's Republic of Korea and supreme commander of the Korean People's Army, to the entire people for their deep mourning over the death of the great leader President Kim Il-song.

Meetings were held on October 29 at the Ministries of the People's Armed Forces and Public Security, Kim Il-song University, the Pyongyang maternity hospital, the Pyongyang thermal power complex, the Pyongyang textile combine and at other units.

The message of thanks was conveyed at the meetings.

The speakers at the meetings vowed to live up with loyalty to the deep trust and expectation of Comrade Kim Chong-il in sending the message of thanks.

They said the dear leader Comrade Kim Chong-il sent the message of thanks to the entire people who became mourners and expressed deep grief at the biggest loss ever in the 5,000-year long history of the Korean nation,



though it was an obligation of our people who had enjoyed a true life and happiness under the boundless loving care of the respected leader Comrade Kim Il-song, holding him in high esteem as the great sun and tender-hearted father of the nation.

Noting that the message of thanks contained deep trust and expectation of the dear leader who absolutely respects and loves the people, the speakers stressed:

Our people could brace themselves up, not giving way to the tremendous grief, although they felt as if the ground sank under their feet, because they are guided by the dear leader Comrade Kim Chong-il, the destiny and future of our nation.

The cause of the respected leader will be accomplished successfully in any storm as there is the dear leader Comrade Kim Chong-il who is boundlessly loyal to the idea and cause of the leader and loves and respects the people most.

The speakers stated that they would make a new advance in the revolution and construction and the defence of the country with the conviction of certain victory and the will to win it.

Speaking at the meeting held at the Ministry of the People's Armed Forces, Kim Chong-kak, Hong Tae-hwan and Kim Yong-chol, generals of the Korean People's Army (KPA), declared that the KPA would remain loyal to the behests of the fatherly leader on upholding the leadership of respected General Kim Chong-il with loyalty, united around him in one mind, no matter which way the wind may blow and however the situation may change.

They stressed that the KPA would firmly defend the Korean-style socialism centred on the popular masses, more tightly holding the guns of the revolution.

At the meeting held at the Ministry of Public Security, generals Hwang Chin-taek and Kim Yong-sun and public security officers Kim Kyong-min and Chin Song-sik vowed to firmly defend the socialist cause of *chuche*, remaining unfailingly loyal to Comrade Kim Chong-il, the respected supreme commander.

#### State Functionary Comments

SK3110142894 *Pyongyang Korean Central Broadcasting Network in Korean 2300 GMT 29 Oct 94*

[FBIS Translated Text] People across the country are filled with boundless feelings of gratitude upon receipt of the letter of thanks the dear leader Comrade Kim Chong-il sent them for the deep condolences they expressed on the passing of the great leader Comrade Kim Il-song.

(Kim Kwang-nin), vice chairman of the State Planning Committee, says: All functionaries of the State Planning Committee, receiving the letter of thanks the dear leader Comrade Kim Chong-il sent to the people for the deep

condolences they expressed on the passing of the great leader Comrade Kim Il-song, are filled with boundless feelings of gratitude.

We bade our farewell to the great leader of our party and our people Comrade Kim Il-song, laden with unparalleled deep sorrow. For over 80 years of his life, he was always with the people, sharing joy and sorrow with them, and leading our people along the road of victory. The loss of the great leader was the greatest irretrievable loss of our people. At this shocking news, like the earth breaking apart and the sun falling, not only our party members and working people as well as the South Korean people and overseas compatriots, but even the mountains, rivers, plants, and trees wailed.

What was our leader like? He undertook as a child the road of the revolutionary struggle solely for the happiness of the people. Gray-haired, he was still the people's leader who never stopped his on-the-spot guidance on the blooming road of the noble idea of believing in the people as in heaven.

The road our state committee followed was full of the care taken by the great leader's leadership. He put forth the original idea of unifying the people's economic plans, and taught and led us, pinpointing all the problems to be solved in the planning work. Truly, the great leader was the great teacher of all planning functionaries.

Blessed with this great leader, our people regarded upholding him as the great fortune of the nation, and followed the road of loyalty in wholehearted unity. Therefore, the passing of the great leader was all the more heart-breaking; the entire country became mourners, expressed deep condolences, and pledged the resolution of loyalty to fulfill the leader's wishes.

Truly, the deep condolences expressed on the passing of the great leader are commensurate with the proper duty of the people in our society in which the leader, the party, and the masses are wholeheartedly united in one great family. It is also the noble duty of all the revolutionary fighters who are brought up under the care of the leader.

For all this, the dear leader Comrade Kim Chong-il sent warm thanks to all the people, including our heroic working class, cooperative peasants, officers and men of the People's Army, intellectuals, students, the South Korean people, and overseas compatriots who expressed deep condolences on the passing of the respected and beloved Comrade Kim Il-song and who are filled with the firm resolve to overcome the sorrow of losing the leader and faithfully implement the leader's wishes. The dear comrade leader sent us his thanks—the dear comrade leader who lamented over the great leader's passing more than anyone else and who led us along the road of carrying out the leader's revolutionary cause, putting forth the revolutionary slogan "Let us more thoroughly arm ourselves with the revolutionary ideology of the great leader Comrade Kim Il-song."



Truly, the thanks the dear leader Comrade Kim Chong-il sent us is the benevolence which only the people's true leader can grant us in our society in which we enjoy the blessing of the leader and the blessing of the people.

Therefore, all functionaries of our State Planning Committee are filled with firm resolve to remain loyal to the dear comrade leader's leadership for the completion of the chuche revolutionary cause which the great leader Comrade Kim Il-song pioneered, cherishing deep in their hearts the letter of thanks the dear leader Comrade Kim Chong-il sent.

With awareness of the importance of the planning work in the implementation of the party's revolutionary economic strategy, we firmly resolve to bring forth greater innovations in carrying out the revolutionary task entrusted to us.

### **Kim Chong-il Sends Thanks to Exemplary Workers**

*SK3110102394 Pyongyang KCNA in English 1017 GMT 31 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 31 (KCNA)—The dear leader Comrade Kim Chong-il extended thanks to the soldiers of Yim Son-kun Unit of the Korean People's Army who had fully displayed loyalty to the party and the leader and the beautiful traits of army-people unity.

They have prepared dozens of species of flower seeds including beautiful magnolia and a large quantity of seeds of "golden" lawn to be planted around Mansu Hill on which the statue of the great leader President Kim Il-song is standing.

They laid bunches of flowers before the statue of President Kim Il-song on the lapse of the three months after his death and hardened their pledge to become rifles and bombs in resolutely defending supreme commander Comrade Kim Chong-il.

Comrade Kim Chong-il also sent thanks to the units, teachers, students and working people in Kangdong County, Pyongyang, who set an example in actively assisting the reconstruction of the tomb of King Tangun.

And his thanks went to the officials of Suan County, North Hwanghae Province, who had built scores of dwelling houses on the Chawi Cooperative Farm in the county.

### **Article Hails Kim Chong-il's Leadership**

*SK2810145394 Pyongyang NODONG SINMUN in Korean 19 Sep 94 p 2*

[Article by Hwang Chang-man: "The Great Leadership Is Leading Revolution and Construction With An Iron Will"]

[FBIS Translated Text] Today our people are overflowing with conviction and optimism to vigorously accelerate the struggle to inherit and consummate the chuche revolutionary cause, upholding the great leader's [suryong] will.

Because of the loss of the respected and beloved leader Comrade Kim Il-song, the maximum damages occurred in the Korean revolution. Countless tasks and difficulties are laid before us, but our people are filled with a faith in victory that they will win victory when the dear leader Comrade Kim Chong-il exists.

The dear leader Comrade Kim Chong-il—who is vigorously leading the revolution and construction along the single road of ever-victories with his iron will—is the great leader [yongdoja] of our party and people. Our people, who fully master the wisdom of the dear comrade leader's leadership in their protracted and ardent struggle, are fighting on more vigorously by loudly singing a song of faith entitled "We Will Win if You Exist."

The dear leader Comrade Kim Chong-il's iron will has become a boundless source of might to turn misfortune into a blessing, as well as to change an unfavorable condition into a favorable one, thus victoriously carrying out the revolution and construction in difficult circumstances.

The great leader Comrade Kim Il-song has taught: Comrade Kim Chong-il has an invincible will, courage, outstanding strategy, and commanding art as befitting the supreme commander of the revolutionary Armed Forces. Here lies the guarantee for the constant strengthening, development, and victory of our revolutionary Armed Forces.

The leader's [yongdoja] will plays a decisive role in pioneering the destiny of one nation and in carrying out the socialist cause. The road to the revolution is rough. There are many difficulties and trials in carrying out the revolution. Also, unexpected events occur at any time. The revolution means that one should vigorously move forward by overcoming the folded difficulties, while the socialist cause means that one should safeguard and achieve the popular masses' independence under any circumstances.

Whether one can carry out the revolution and construction by overcoming the difficulties and trials depends totally on the will of the leader [suryong], who leads the revolution and construction.

The leader [suryong] is the supreme brain of the popular mass, as well as the leader [yongdoja] of the revolution who totally and responsibly leads the destiny of the country, nation, and revolution. The revolution will be ever-victorious in any difficult situation only if it is led by the leader [yongdoja], who has a firm will, but, if not, the revolution will fail. Also, the people cannot avoid their destiny as weak people who even easily yield to small difficulties.



For the people to brilliantly pioneer their own destiny, they should uphold the great leader [yongdoja], who has a firm will. Even if the territory and population are small, the people who uphold the great leader [yongdoja] can become the powerful and great people with whom no one can dare pick a quarrel; can win victory against any powerful enemies; and can victoriously carry out the revolution and construction by overcoming difficulties and trials.

Today, our people and progressive people in the world are highly praising and absolutely following the dear leader Comrade Kim Chong-il as the great leader [yongdoja] with an iron will.

The iron will the dear leader Comrade Kim Chong-il has held is the spirit for victories for ever; the invincible courage that will not falter against thousands of enemy troops' offensive; and the stubborn driving force of practice in which he carries out what he decides in any difficult circumstance.

There were many leaders [yongdoj] in history who were famous for their strong will. However, there has never been such a great leader [yongdoj] as the dear comrade leader whose will is as strong as iron. The dear comrade leader was born with an iron will. The dear comrade leader has had heroic traits since his childhood in the Mt. Paektu. He inherited the leadership traits of the respected and beloved leader who built the strong socialist country of independence, self-reliance, and self-defense in this land after smashing the two strong imperialist enemies. This is why the respected and beloved leader said: In the long course of my leading the Korean revolution, I have never seen a leader whose faith and nerve are as firm as Comrade Kim Chong-il's. Our revolution continues to advance victoriously, overcoming any obstacle or trial because we uphold the great iron-willed leader.

The leadership traits of the dear leader Comrade Kim Chong-il, who is leading the revolution and construction with his iron will, are highly demonstrated by his endless elaboration of bold operations.

The revolution and construction are carried out according to the leader's operations, which reflects the leader's ideas, intentions, decisions, and determination. A leader whose will is weak plans operations inactively, but a leader who has strong will plans operations audaciously in a big way and continuously achieves greater and greater victories.

**Bold operations.** This is an important leadership trait of the dear leader Comrade Kim Chong-il whose will is as strong as iron. The dear comrade leader carries out bold operations always based on a scientific analysis of the inevitability [happopchiksang] of the developing revolution and the people's aspiration and demand. The dear comrade leader's extraordinary leadership trait lies in his boldness in planning all operations—from setting up high goals of struggle to establishing strategies and tactics

to achieve the goals, organizing manpower, and presenting methods of struggle.

To set up a high goal of struggle means to include enormous tasks in it, as well as to grandly plan all work, foreseeing not only the near future but the remote future.

Goals presented by the dear comrade leader, who plans and designs all work audaciously in a big way, are too high to be even imagined by ordinary people. It is the dear comrade leader's firm faith that only sublime and great goals and ideals can encourage the popular masses' bravery and faith in certain victory and hasten the revolutionary victory. Thus, the goals presented by the dear comrade leader for all domains—ideological, theoretical, political, economic, and cultural—are the highest goals of struggle set up based on his clairvoyance into both today and the far-off future of communism. Our people come to have infinite strength and courage, as well as be filled with faith and optimism whenever they receive the dear comrade leader's ideas and policies because they involve extraordinarily high goals and grand ideas and intents. The dear comrade leader's boldness in planning operations enabled him to present the grand program on modelling the entire society after the *chuche* idea early 20 years ago and to present strategic tasks to occupy ideological and material fortresses of communism by remolding man, nature, and society thoroughly based on the demand of the *chuche* idea.

The dear comrade leader's bold operations comprehends not only strategic goals of the revolution and construction, but all sectors and domains. The dear comrade leader considers it as the goal of indoctrinating and remolding man to make people *chuche*-type revolutionaries whose spiritual level is same as that of the anti-Japanese revolutionary fighters. He also considers reaching the utmost level of the future of socialism as the goal of reforming all domains of people's social life, including economy and culture, in a revolutionary way. The dear comrade leader's bold operations are the most scientific strategies and tactics based on a detailed analysis of the demand of the times and developing revolution and of subjective and objective conditions of the revolution. They are also the most revolutionary policies that make it possible to achieve the best result by utilizing the popular masses' strength and wisdom to the utmost. Therefore, all operations planned by the dear comrade leader are absolute ones leading to the victory. Thanks to the dear comrade leader's bold operations, our country is carrying out the revolution and construction at an extraordinarily high speed, as well as achieving great turnabouts and innovative successes.

The leadership traits of the dear comrade leader, who is leading the revolution and construction with his iron will, is also vigorously demonstrated by his ability to realize what he once decided to the last, under any circumstance.

Good operations in the revolution and construction can be the key to the victory, but without practice, they



cannot bear fruit. Bold operations without practice are meaningless and worthless, and they are no more than empty theories and discussions. The course of the advance of the revolution and construction can be said the course of successful realization of operational ideas and intents by the leader's [yongdoja] vibrant revolutionary practice. It is not easy to realize what is once decided by overcoming many obstacles and trials in the course of the revolution. It is not easy enough for everyone to set up an extraordinarily high goal of struggle and succeed and complete the chuche revolutionary cause while pioneering the untrodden road of revolution. It can be done only by the great leader [yongdoja] who can scientifically analyze and assess the prevailing situation under any difficult condition, present correct strategies and tactics, and lead the revolution and construction with competent organizational skill and strong proficiency to progress the revolution.

The dear leader Comrade Kim Chong-il has a strong will and outstanding traits, and thus, he accomplishes what he once decided, by any means. He has a mystic talent to find a breakthrough by always correctly grasping the main link among many complicated and tangled problems in the revolution and construction and concentrates efforts on it. He has competent organizational skill to mobilize the entire party, the whole country, and all the people for achieving a goal by always arousing the popular masses' revolutionary zeal and active creativeness, and has extraordinary proficiency to progress the revolution. He has seasoned leadership to lead the revolution and construction to an endless upsurge by continuously presenting new ideas and operations without an interval following the achievement of a goal. These are the lofty leadership traits of the dear comrade leader who accomplishes what he once decided, with his strong will.

None of the operations decided and arranged by the dear leader Comrade Kim Chong-il in the course of leading our revolution and construction has been left unrealized. The dear comrade leader's decision means a victory and the creation of great reality. All goals and tasks, no matter how they are high and difficult, are always brilliantly accomplished in proud victories under the dear comrade leader's will. Therefore, our people interpret a decision made by the dear comrade leader as a rock-firm faith in certain victory. This is what our people has deeply learned by experience in the course of socialist construction under the dear comrade leader's leadership, particularly in the course of building many great monumental creations of the Workers Party era in recent years.

Thanks to the dear comrade leader's wise leadership, the working class in Yongsong and Nagwon excellently produced a 10,000-ton press and a large oxygen separator, whose production with our own strength and technology had been regarded as impossible, thus vigorously demonstrating the might of our self-reliant national economy; the builders of Sohae Lock Gate built the

world-famous lock gate by blocking off the open sea 20 ri out at sea in a short period of five years, thus demonstrating the Korean spirit all over the world; and the builders of the capital city built many houses and great monumental creations, including the Tongil and Kwangbok Streets, in only a few years. Because they have kept the certain faith that they can realize, without fail, what the dear comrade leader decides, our people have been able to uphold the slogan "We will do what the party decides," from the bottom of their hearts, and are now vigorously struggling to implement the party's revolutionary economic strategies.

The leadership traits of the dear leader Comrade Kim Chong-il, who is leading the revolution and construction with his iron will, are also highly demonstrated by the fact that he thorough adheres to the revolutionary principles under any circumstance, as well as resolutely protects and defends the socialist cause.

The revolutionary principles are the lifeline of the socialist construction. How the revolutionary principles are kept depends on the leader's will. The long history of revolutionary struggle shows that the socialist cause will advance, overcoming any difficult obstacle and trial when the leader adheres to the revolutionary principles, but it will be degenerated and frustrated halfway when the leader abandons the principles.

Today the socialist cause is victoriously advancing while overcoming all hardships and trials totally because the dear leader Comrade Kim Chong-il resolutely defends the revolutionary principles, upholding the banner of socialism. It is the dear comrade leader's firm faith that the environment and conditions of struggle can change in the course of socialist construction, but the basic demand and position of the popular masses who desire to realize their independence cannot. Based on this faith, the dear comrade leader is wisely leading the people to adhere to the revolutionary principles even more thoroughly as the revolution and construction are intensified and developed. Thanks to the dear comrade leader's revolutionary leadership, the revolutionary principles that reflect basic demand and position of the working class and the working popular masses are invariably adhered to in our socialist construction today, and our socialism is being consolidated and developed in conformity with the popular masses' aspiration and demand. Because it resolutely keeps the revolutionary principles, our party adheres to the socialist principles in economic management and operation, adhering to the Taean work system, and is leading our rural community to all-people ownership by completely implementing the rural theses.

The revolutionary principle-oriented spirit of the leader who leads the revolution is shown mainly by the way he copes with the imperialists' antirevolutionary maneuvers. The imperialists' antirevolutionary maneuver to deter and destroy the socialist cause can be completely smashed only through the principle-oriented struggle. The imperialists and reactionaries' maneuver to destroy



the cause of socialism of our own style has reached an extreme point. However, the dear comrade leader has led the political and military confrontation with the enemies to the victory without the slightest deviation, as well as has resolutely defended the socialist cause.

The dear comrade leader has resolutely smashed the enemies' provocations with superb tactics whenever the country's situation went from bad to worse. His unrivalled grit with which he has assumed a self-confident stance and has remained unperturbed even if any formidable enemy assaulted him; his revolutionary leadership with which he raised a strong wind of great construction with the help of heroic struggle of the entire Army and all people when the enemy ran amok in unleashing a war; his subtle war methods with which he controlled the enemy perfectly with just one hand; and his iron will have given hundredfold strength to the people and dealt a hard blow to the enemy.

Thanks to the dear comrade leader's leadership, our party and people have achieved victory after victory even under an acute and complicated atmosphere in which the imperialists' attacks were intensive, confronting the enemies' anti-revolutionary attacks with revolutionary attack, and their appeasement tactics with revolutionary principles. Because there is the dear comrade leader who has resolutely adhered to and added luster to the socialist cause by turning adversity into favorable circumstances, our people are firmly convinced that they would achieve victory without a failure and easily overcome difficulties and trials.

The dear leader Comrade Kim Chong-il's mettle is the mettle of sure victory under which we could always win. His guts are the guts of the iron-willed brilliant leader and his grit is the grit of the indomitable general. Truly, it is the greatest fortune and the biggest happiness for our people to have the great leader [yongdoja], the iron-willed brilliant leader, with both literary and military accomplishments.

The dear leader Comrade Kim Chong-il leads the revolution and construction with an iron will because he regards it as his lifetime mission to consummate to the end the chuche revolutionary cause which the great leader [suryong] pioneered in the thick forests of Paektu. The dear comrade leader's thinking and activities are consistent only with his determination to inherit and complete the chuche revolutionary cause. After the respected and beloved leader passed away, the dear comrade leader presented the slogans, "The great leader Comrade Kim Il-song will be forever with us!" and "Let us further arm ourselves with the great leader Comrade Kim Il-song's revolutionary ideas!" This is a clear expression which shows how much the dear comrade leader is faithful to the revolutionary cause pioneered by the leader [suryong] and is devoting himself to complete such cause. The dear comrade leader's will to brilliantly realize the respected and beloved leader's aspiration is firm as ever.

The dear leader Comrade Kim Chong-il's iron will is based on the absolute trust on the people by which he leads the revolution and construction with the power of the people. The dear comrade leader has always mingled with the popular masses and led the difficult and complicated revolution to victory, saying that the popular masses are the main force of the revolution and there is nothing that cannot be achieved with the power of the people.

Whenever difficult tasks aroused before the revolution and trials were piled up, the dear comrade leader absolutely believed in the popular masses and their unceasing devotedness and inexhaustible power. For that reason, the dear comrade leader has the firm belief that the popular masses are his teacher who endows indomitable confidence and will on him. The people exists in the heart of the great leader [yongdoja] and the leader exists in the hearts of the people. The secret behind the invincibility of the Korean revolution is such harmonious whole. Truly, as the people's power is limitless, the iron will of the dear comrade leader, who believes in the people's power, is inexhaustible and displays the mighty power.

Our people have travelled the arduous path of revolution under the leadership of the dear leader Comrade Kim Chong-il. On the course of this, our people have come to cherish deep in their hearts that any difficult trial or difficulty can be surmounted when we march ahead under the dear comrade leader's leadership. Likewise, they have come to learn that there is no enemy that cannot be repelled. Such faith has become our people's sole lifeline and flesh and blood. Even if a raging storm rises, our people will vigorously march ahead to the direction the faith leads and will never throw away this faith.

The revolutionary cause of our people, who march ahead by firmly rallying around the great leader [yongdoja] Kim Chong-il who leads the revolution and construction with an iron will to one road of victory, is ever-victorious.

**Kim Chong-il Inspects King Tangun Tomb 29 Oct**  
*SK3110050294 Pyongyang KCNA in English 0445*  
*GMT 31 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 31 (KCNA)—Comrade Kim Chong-il, the great leader of our party and people, inspected the recently reconstructed tomb of king Tangun on Saturday.

He was accompanied by Choe Tae-pok, alternate Politburo member and secretary of the Central Committee of the Workers' Party of Korea [WPK], and Kim Ki-nam and Kim Kuk-tae, members and secretaries of the C.C. [Central Committee], the WPK, and officials concerned.

The recently reconstructed tomb of King Tangun occupying an area of 45 hectares at the foot of Mt. Taebak in Kangdong County, Pyongyang, is the grave of the first king of the Korean nation.



The tomb has been reconstructed magnificently to suit the stamina of Tangun's Korea, a strong and prosperous state in the East, as intended by the respected leader President Kim Il-song, a peerless patriot and the sun of the nation, in his lifetime. It will be handed down through generations as a valuable wealth of culture which proves the long history and homogeneity of the Korean nation and instills great national pride and self-confidence into the minds of the Korean people.

Inspecting the tomb, Comrade Kim Chong-il expressed deep satisfaction with the successful survey and design and splendid construction of the tomb and expressed thanks to the builders, highly appreciating them for their successful construction of the vast project in less than one year, in hearty response to the instructions of President Kim Il-song that the tomb should be built well in a unique way on a large scale as befits the tomb of the first king of the Korean nation.

Comrade Kim Chong-il said that the respected leader found out Tangun, who had been known historically as a mythical figure for thousands of years, as the ancestral father of the nation and took care that the tomb of the ancestral father was reconstructed flawlessly so that the long history of the country and the resourcefulness of the nation can be proudly handed down through generations. This is a grand auspicious event and an event of great importance to the Korean nation, Comrade Kim Chong-il said.

Korea, one of the cradles of ancient culture, has a great many valuable heritages of national culture, he said, and stressed that the party's policy of guarding against restorationism and nihilism in the inheritance of cultural heritages must be implemented to the letter and the cultural heritages of the nation be intensely inherited and developed so that the Korean people can feel greater national pride and honor in their long history and culture.

Comrade Kim Chong-il advanced detailed tasks to preserve the tomb of King Tangun, saying that since the tomb is a historic treasure of the nation of eternal value to be conveyed to the posterity, it must be absolutely perfect.

He said that more trees of various kinds should be planted around the tomb and its surroundings be adjusted well in order to add lustre to the tomb of King Tangun situated in a propitious site.

The teachings given by Comrade Kim Chong-il, inspecting the tomb of King Tangun, will serve as a highly important guideline in inheriting and further developing the heritages of national culture and educating the Korean people in patriotism.

#### **Praises Merits of Builders**

*SK3110003494 Pyongyang Korean Central  
Broadcasting Network in Korean 2100 GMT 30 Oct 94*

[FBIS Translated Text] Comrade Kim Chong-il, the great leader [yongdoja] of our party and people, has inspected the Tangun Tomb.

On 29 October, Comrade Kim Chong-il inspected the newly reconstructed Tangun Tomb

Comrade Choe Tae-pok, candidate member of the Political Bureau and secretary of the Workers Party of Korea [WPK] Central Committee; Comrades Kim Ki-nam and Kim Kuk-tae, members of the WPK Central Committee and secretaries of the party Central Committee, and other functionaries concerned accompanied him.

The Tangun Tomb, newly built on the land of 45 chongbo [one chongbo is approximately 2.45 acres] on the hillside of Mt. Taebak in Kangdong County, is the tomb of the king who founded our nation.

The Tangun Tomb was grandly rebuilt in compliance with the intention cherished by the respected leader Comrade Kim Il-song, the peerless patriot and the sun of the nation, in his lifetime, befitting the spirit of Tangun Korea, a strong nation in the East. As a result, the tomb will shine throughout the generations as a precious cultural asset which demonstrates eternity and homogeneity of the Korean nation and gives great pride to our people.

While inspecting the Tangun Tomb, Comrade Kim Chong-il expressed great satisfaction over the excellent survey, design, and construction of the tomb. By highly upholding the respected leader's lifetime teaching that we should satisfactorily and uniquely preserve the tomb on a large scale befitting the tomb of the king who founded our nation, the builders successfully completed the gigantic project in a short period time, less than one year. Comrade Kim Chong-il highly appraised the merits of the builders and extended thanks to them.

Comrade Kim Chong-il noted that the respected leader sought for Tangun, who has been handed down only in myth and legend throughout a long history, to be the king who founded the nation, and saw to it that the tomb of the founder of the nation was built perfectly and that the long history of the nation and wisdom of the people was handed down to generation after generation. Comrade Kim Chong-il said that this is a great happy event for our nation.

Comrade Kim Chong-il said that there are many precious national cultural relics in our country, which is one of the cradles of ancient civilization, and stressed that the party's policy on taking precautions against reactionism and nihilism in passing on cultural relics be thoroughly implemented and the national cultural relics be actively passed on and developed. Thus, we should further inspire our people with national pride and honor in having a long history and culture.

Comrade Kim Chong-il said the Tangun Tomb is a historic national treasure which should be inherited by our future generations as a great monument and that even minor damage should not occur. He put forward concrete tasks for the preservation and management of the tomb.



Comrade Kim Chong-il pointed out that for us to more satisfactorily manage the Tangun Tomb, which is located in the ideal site, we should plant more trees around the tomb and should take care of the areas surrounding the tomb.

Comrade Kim Chong-il said that since our 7 million fellow countrymen and many foreigners will visit the Tangun Tomb, facilities required for touring should be properly built.

The remarks made by Comrade Kim Chong-il, the great leader [yongdoja] of our party and people, while inspecting the Tangun Tomb, are the programmatic guideline in inheriting and further developing the nation's cultural relics and in indoctrinating our people with patriotism.

**Accomplishing Cause of Chuche Revolution Urged**  
*SK3110101994 Pyongyang KCNA in English 1014 GMT 31 Oct 94*

["NODONG SINMUN Calls for Accomplishing Revolutionary Cause of Chuche With Deep Trust of the Great Leader"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 31 (KCNA)—NODONG SINMUN today calls for the accomplishment of the revolutionary cause of chuche with deep trust of the dear leader Comrade Kim Chong-il, saying the message of thanks he sent to all the people who deeply mourned the death of the great leader President Kim Il-song is a historical declaration of the unswerving faith and will of the Workers' Party of Korea to always remain faithful to the leader and his cause.

The editorial says:

Nothing is happier for the people in the revolution continuing through generations than having a faithful successor to the cause of the leader. Only when they follow the great successor who devotes his all to glorifying for all ages the idea and cause of the leader who started the revolution, can the people keep the blood of the country and the nation pure and bring the revolutionary cause to completion. It is the truth of history that the destiny and future of the country, the nation and the revolution entirely depend on the loyalty of the successor to the leader.

In his message of thanks the dear leader declared again his unshakable faith, will and loyalty and filial duty to the idea and cause of the leader. This is a brilliant example that shows the height of modest traits and revolutionary morality which the communists should have. We have never known such a leader as the dear leader, who regards loyalty to the leader as his lifelong task and has created noble examples of revolutionary obligation, leaving legend-like tales. Our people who hold in high esteem Comrade Kim Chong-il unfailingly loyal to the idea and cause of President Kim Il-song are proud of having great leaders through generations.

Herein lies the bright future of our country and revolution. The message of thanks sent by Comrade Kim Chong-il is a great banner that inspires our people who are faithfully fulfilling the behests of the respected leader President Kim Il-song, overcoming the deep grief at his death, with renewed confidence and vigor, redoubled strength and courage.

Our people will accomplish the revolutionary cause of chuche started by the great leader, always conscious of the great expectation and trust of the dear leader.

**South Korea**

**South 'Expects To Be Paid Back' for Reactors**

*SK2910003194 Seoul YONHAP in English 0027 GMT 29 Oct 94*

[FBIS Transcribed Text] Paris, Oct. 28 (YONHAP)—South Korea expects to be paid back for its light-water technology assistance to North Korea in electricity or raw materials, Foreign Minister Han Sung-chu said Friday.

The cost of two light-water reactors, estimated at 4 billion U.S. dollars, can be brought down by North Korea's low land prices and wages, he said.

Han stopped off in Paris on his way home from ministerial consultations with the European Union (EU) this week. He arrives in Seoul late Saturday afternoon (KST).

South Korea, Japan and the United States are to meet next month for talks on the reactor project, which would involve about 10 countries in an international consortium, according to Han.

"Having the five permanent members of the UN Security Council participate in the consortium would be helpful in North Korea's implementation of its responsibilities," he told South Korean reporters.

Japan, Germany, Australia and Canada are other likely candidates. Han had said earlier that South Korea would pay for more than half of the reactor project.

The consortium would also be in charge of supplying North Korea with alternative energy, dismantling its existing reactors and transferring spent fuel rods.

"Seoul will bear only part of the cost, only for the light-water reactors," Han said. This share will not be doled out in cash but in goods and services.

"If South Korea's Ulchin reactor Nos. 3 and 4 are selected for the project, the cost can be lower than the estimated 4 billion dollars despite inflation because of low land prices and wages," he said.

North Korea will make repayment for the reactors, with the methods to be discussed at upcoming experts' meetings with the United States, he said. The most likely solution is remittance in electricity or in raw materials such as minerals.



**Han Defends Seoul's Plan To Pay for Reactors***SK3110011694 Seoul YONHAP in English 0054 GMT 31 Oct 94*

[FBIS Transcribed Text] Seoul, Oct. 31 (YONHAP)—South Korea must pitch in to replace North Korea's nuclear reactors with advanced, safer models because Pyongyang is not obliged to make this transition, Foreign Minister Han Sung-chu said Monday in defending Seoul's intention to bear the lion's share of the cost.

Writing in the KUKJONG (national affairs) SINMUN published by the Information Ministry, Han reasoned that the reactors will not be provided for free.

North Korea and the United States signed a nuclear agreement Oct. 21 that freezes the communist state's suspicious nuclear activities. The international community is to replace North Korea's graphite-moderated reactors with light-water units that are easier to monitor.

"The (Seoul) government will make national unification efforts by creating circumstances where North Korea will ultimately become a responsible member of the international community," Han wrote.

The Oct. 21 agreement was reached after painstaking negotiations and has some shortcomings, he admitted, "but it reflects our overall policy objectives."

The reasons why South Korea must contribute to North Korea's nuclear transition are that Pyongyang's agreement to freeze and dismantle its old reactors is not an obligation and the North is expected to offer repayment for the reactors.

Han noted that Pyongyang and Washington did agree to gradually upgrade ties, eventually to the ambassadorial level, "but it is a unified prediction by experts that it will be a long time before actual U.S.-North Korea diplomatic normalization."

"South Korea and the United States are in complete agreement that inter-Korean dialogue has to progress in mutual harmony with North Korea-U.S. dialogue," he said.

**Plans Underway To Set Up KEDO's Main Office***SK3110005694 Seoul KBS-1 Radio Network in Korean 2300 GMT 30 Oct 94*

[FBIS Translated Text] With the settlement of the nuclear negotiations between the United States and North Korea, the plan to set up in Seoul the main office of the tentatively named Korea Energy Development Organization [KEDO], which will be in charge of building the light-water reactor in North Korea, is currently being examined. Following is a report by correspondent Yi Chong-su from Washington.

[Begin Yi recording] If the U.S.-DPRK working-level contact to decide on the schedules and venues to hold various expert-level meetings—as agreed during the

U.S.-DPRK nuclear negotiations—is held this week, arrangements are being made to designate Seoul as the venue of the expert-level talks to establish KEDO, which will be in charge of building the light-water reactor in North Korea, and of setting up KEDO's main office in Seoul.

A diplomatic source in Washington revealed on 31 October that the method of holding the various expert-level talks to put the U.S.-DPRK agreement into practice at various places, will be decided upon at the U.S.-DPRK working-level contact, which will be held in New York sometime this week. It also revealed that the ROK and the United States are of the same opinion that it is desirable to hold the expert-level talks to set up KEDO in Seoul.

This source also revealed that the plan to hold the expert-level talks in Seoul to set up KEDO is a stage prior to setting up KEDO's main office in Seoul, and that it will be convenient for everyone from various aspects to set up KEDO's main office in the ROK, which will be burdened with 70-80 percent of the expenses in building the light-water reactor in North Korea.

There is a possibility that North Korea may not like this arrangement, but since North Korea has to follow the decision of the United States regarding this matter, this source revealed that this matter may be solved well, beyond our expectations. [end recording]

**Han Lists Countries To Join Reactor Project***SK3010052394 Seoul KYONGHYANG SINMUN in Korean 30 Oct 94 p 2*

[Correspondent Chong Chong-sik, Paris]

[FBIS Translated Text] Foreign Minister Han Sung-chu on 28 October said that the issue of assisting North Korea in installing light-water reactors should first be settled among the ROK, the United States, and Japan and that full-fledged discussion on it will be held in November.

Foreign Minister Han, stopping over in Paris on his way home from the annual ROK-EU ministerial meeting held in Brussels, met the France-based ROK correspondents on the afternoon of 28 October. He said that 10 countries, including the five permanent members of the UN Security Council, will participate in the international consortium, tentatively called the Korea Energy Development Organization (KEDO). He said that the 10 countries will be the United States, Britain, France, Russia, China, ROK, Japan, Germany, Australia, and Canada.

**Cost for North's Light-Water Reactor Viewed***SK3110131894 Seoul KYONGHYANG SINMUN in Korean 31 Oct 94 p 4*

[Article by reporter Yi Pyong-kwang]



[FBIS Translated Text] How much cost will be necessary to implement the basic agreement reached between North Korea and the United States?

In conclusion, it seems the countries involved in the North's nuclear issue—such as the ROK, the United States, and Japan—will have to pay a total of \$4.565 billion (3,652 billion won) over the next ten years.

This is the total cost those countries will have to bear in return for North Korea's abandoning its nuclear development. In addition to the cost for constructing two light-water reactors for North Korea, this total includes the general cost for supplying alternative energy sources to North Korea, for North Korea's disposal and transfer of the spent fuel rods, for North Korea's dismantlement of its graphite-moderated reactors, and for the management of the Korea Energy Development Organization [KEDO].

Among other things, the largest portion will go to constructing light-water reactors. Generally speaking, it is estimated a total of \$4 billion (3,200 billion won) will be necessary for constructing light-water reactors.

However, the ROK Government is of the opinion that about \$500 million can be saved from the total cost.

If we break down the proportions of the total cost—22 percent for atomic reactors, 10 percent for turbines, 28 percent for auxiliary equipment, 20 percent for design drawing, and 20 percent for actual construction work and other expenses—the government thinks there will be much room for saving costs in design drawing and actual construction, the two categories which occupy 40 percent of the total cost.

In terms of design drawing alone, there will be several stages such as the concept design, basic design, and detailed design. But since a decision has already been made that the Ulchin Nos. 3 and 4- type reactors will be introduced, it will be possible to leave out a considerable portion of the total design drawing.

Also in terms of actual construction, cheap labor can be supplied by North Korea, possibly free of charge; the cost of purchasing the necessary land, which is included in the category of other expenses, will be excluded from the total estimated cost.

Next, the estimated cost for dismantling the graphite-moderated reactors will be \$500 million. The dismantlement of the 50- and 200-megawatt graphite-moderated reactors, whose construction is underway, will be easy. However, the dismantlement of a radioactively contaminated, experimental 5-megawatt atomic reactor, as well as of a radiochemical laboratory that is a reprocessing facility, will require much time and cost.

This notwithstanding, the dismantlement of these items will be conducted after the first light-water reactor is built in North Korea; thus, the cost for their dismantlement will be defrayed until after the year 2001 at the earliest.

As regards supplying alternative energy sources, the first shipment of 50,000 tonnes of heavy oil will be handed over next January; the second shipment of 100,000 tonnes will be handed over to North Korea in October next year. From 1996 on, 500,000 tonnes of oil will be supplied to North Korea annually until the first light-water reactor is completed.

It is estimated a total of about \$365 million in heavy oil, including the transportation costs (\$100 per tonne) at present market value, will be defrayed.

It will also require much cost to store in dried status the 8,010 spent fuel rods that are currently being stored in water coolant after having been taken out of the 5-megawatt experimental atomic reactor, and to transfer them to a third country after a certain period of time.

The ROK Government estimates it will cost a total of \$100 million to deal with the fuel rods—\$30 million to store the spent fuel rods in dried status, and \$70 million to transfer them to a third country.

However, some experts estimate this cost at around \$200 million, thereby showing there exists a large difference between various estimations.

This is because it is difficult to correctly estimate since there is no precedent to the new idea of storing the spent fuel rods in dried status and transferring them to a third country, an idea developed in the process of solving North Korea's nuclear issue.

In addition, a total of \$100 million will be defrayed for KEDO management. In terms of KEDO management alone, since this is a far-sighted project that will be implemented over the next ten years, a considerable amount of cost will be defrayed for the expense of personnel and for the maintenance and management of relevant offices.

At the moment, there is no clearly fine-tuned position between the ROK, the United States, and Japan regarding to what extent KEDO should deal with each of these questions. This notwithstanding, the prevailing view is that, because all these questions are linked with each other, KEDO will have to bear the cost for all of them.

The government is maintaining its firm stance that under any circumstances the ROK will only bear the cost for constructing light-water reactors; for that matter, our share cannot exceed two-thirds of the cost for such construction.

Roughly speaking, this is half the total cost of \$4.565 billion that will be defrayed until the implementation of the agreement reached between the United States and the North.

#### **Government 'To Modify' Policy Toward DPRK**

*SK2910110294 Seoul TONG-A ILBO in Korean 29 Oct 94 p 1*

[FBIS Translated Text] In preparation for the rapid development of the situation surrounding the Korean



peninsula in the wake of the settlement of North Korea-U.S. nuclear negotiations, it was learned on 28 October that the government is working on a measure to modify the framework of its current policy toward North Korea and shift it to "the policy on pursuing unification and diplomacy in partnership with North Korea."

It was learned that "the policy on pursuing unification and diplomacy in partnership with North Korea" includes encouraging friendly nations to establish diplomatic ties with North Korea; helping North Korea to join international organizations, such as the Asia-Pacific Economic Cooperation; and vitalizing diplomacy with the four superpowers—the United States, China, Japan, and Russia—on a full scale.

The Foreign Ministry is expected to hold a closed-door policy seminar presided over by Foreign Minister Han Sung-chu and attended by Han Sung-su, ambassador to the United States; Hwang Pyong-tae, ambassador to China; other heads of ROK diplomatic offices in Japan and Russia; and figures from the press and academic circles on 2 November. In the seminar, the ministry will collect public opinions on the overall modification of the diplomatic policy.

In this connection, a high-ranking government official said on 28 October that "Former President Pak Chong-hui published the 23 June announcement on diplomatic policy for peaceful unification in 1973 and President No Tae-u published the 7 July announcement of northward diplomatic policy in 1988. However, in reality, the ROK has not tolerated the overall cross-recognition of two Koreas by the four superpowers," and pointed out that "With the settlement of the North Korean nuclear issue, the situation on the Korean peninsula is rapidly changing, propelling the ROK to map out a new unification and diplomatic policy to effectively fine-tune the four superpowers' policies toward the Korean peninsula."

The official then said "The major countries in the Asian region, including Malaysia, Indonesia, and Singapore, have already established diplomatic ties with North Korea, however, the ROK's diplomatic position with those countries has not been hampered," and added that "The government will actively encourage not only the United States and Japan but also the Philippines and Australia to improve relations with North Korea."

### **Kim Chong-il's Message Said Prelude to Succession**

*SK3010113794 Seoul CHUNGANG ILBO in Korean 30 Oct 94 p 2*

[FBIS Translated Text] On 28 October, North Korea's Kim Chong-il sent a message to all residents thanking them for expressing condolences on the death of Kim Il-song. This signals that North Korea has concluded the mourning period for Kim Il-song's death and has begun full-scale preparation for the inauguration of Kim Chong-il.

North Korea's Central Broadcasting station reported that Kim Chong-il said that he "extends warm thanks to our heroic working class, cooperative farmers, officers and men of the People's Army, intellectuals, youths and students, all other people, the South Korean people, and the Koreans overseas who are firmly determined to overcome their sorrow at the loss of the leader and faithfully fulfill his behests."

Kim Chong-il has sent replies to all foreign leaders who have sent condolence messages on the death of Kim Il-song. In light of this, it seems that North Korea is trying to add a finishing touch to the process by sending the thank-you message to all the people through the broadcast.

It is our nation's traditional custom for a principal mourner to send letters of thanks to those who have paid condolences. It seems that Kim Chong-il, who places great emphasis on filial duty, is trying to follow unswervingly such a custom. Now that he extended the thank-you message to all the people, chances are high that there will be no more memorial services.

Kim Kyong-ung, spokesman for the National Unification Board, analyzed this as "a clear sign that an atmosphere of mourning will shift to an atmosphere of upholding Kim Chong-il."

Furthermore, Kim Chong-il, in the thank-you message, resolved to defend and adhere to Kim Il-song's revolutionary idea and said: "I will as ever devote my all to the country and the people, bearing deep in mind our people's absolute trust in and expectation for our party," thus emphasizing his role as the leader [suryong] in place of Kim Il-song. In view of this, the thank-you message sounded like an inaugural speech.

### **Exiled Officials Urge Kim Chong-il To Quit**

*SK2910013694 Seoul THE KOREA HERALD in English 29 Oct 94 p 3*

[FBIS Transcribed Text] Former ranking North Korean officials exiled in Russia yesterday called on North Korean leader Kim Chong-il to step down immediately and demanded release of political prisoners in the country.

They also urged Pyongyang to stop its nuclear weapons development program and to guarantee freedom of press and assemblage for the North Korean people.

They made the demands at a resolution they adopted at the end of a rally calling for democratization and restoration of human rights in North Korea held at the Olympic Park Hotel in southern Seoul.

At the rally, some 400 participants including 27 former ranking North Korean officials also called on the North Korean regime to allow its people to travel abroad, including the South.



The participants at the "Seoul Conference for Democratization and Restoration of Human Rights in North Korea," sponsored by two private organizations, included Kang Sang-ho, 85, former North Korean vice home minister; Chang Hak-pong, formerly superintendent of the Kim Chaek Military Academy; Chong Sang-chin, who once served as vice minister of culture and propaganda; and Pak Il, former vice president of Kim Il-song University. They escaped from the North and lived in exile in Russia after being victimized by Kim Il-song and his cronies.

They flew into Seoul Wednesday.

Meanwhile, former North Korean Vice Home Minister Kang said many resistance groups exist in the North which maintain clandestine contacts with anti-Pyongyang organizations abroad.

North Koreans are strongly discontented with Kim Chong-il and appear not to accept him as their leader, said Kang.

He made the remarks when meeting with reporters before the conference.

Kang, who resides in St. Petersburg, said that "in the North, there are forces opposing Kim Chong-il and supporting Kim Il-song's widow Kim Song-ae, her son Kim Pyong-il and his younger brother Kim Yong-chu." Kim Il-song, who ruled North Korea since 1945, died in July.

"But they have not yet consolidated themselves into a strong force to confront the Kim Chong-il group. Accordingly, the Kim Chong-il system is likely to continue for the time being," he said.

Kang called on South Korea to refrain from providing the North with economic assistance including food on the grounds that Pyongyang may use it to reinforce its military strength.

The Seoul rally is the second of its kind, while the first such rally was held in Washington D.C. in October last year.

#### **Han: French Doctors Assess Kim Chong-il Records**

*SK2910075794 Seoul CHUNGANG ILBO in Korean 29 Oct 94 p 1*

[Paris-based correspondent Ko Tae-hun]

[FBIS Translated Text] It has been learned that North Korea has asked the French medical team to give a medical assessment of Kim Chong-il while O Chin-u, minister of North Korean People's Armed Forces, is being treated in a hospital in Paris.

ROK Foreign Minister Han Sung-chu, on a visit to Paris, met with ROK correspondents in Paris on 28 October and said: Six suite members accompanying O Chin-u are too many for O's treatment alone. As far as I know, one

of the purposes of their visit is to get an indirect medical diagnosis of Kim Chong-il by having his physical examination records and photographs reviewed.

Commenting on O Chin-u's visit to France, Foreign Minister Han said that North Korea sent O to Paris for medical treatment even though this could have a negative impact for North Korea abroad because it considers him a person necessary for the maintenance of the Kim Chong-il system. By so stating, Foreign Minister Han denied the possibility of O Chin-u being kicked out politically.

#### **Treatment Shows O Chin-u 'Indispensable Figure'**

*SK2910012594 Seoul YONHAP in English 0115 GMT 29 Oct 94*

[FBIS Transcribed Text] Paris, Oct. 28 (YONHAP)—The fact that North Korea's no. 2 man, Minister of the People's Armed Forces O Chin-u, has come to Paris for medical treatment indicates that he is "an indispensable figure" whose life must be saved by all available means, a diplomatic source observed Friday.

The source, who asked not to be identified, said in the French capital: "Pyongyang appears to have sent O to Paris, even anticipating the disadvantages it would be exposed to when he came, probably because O is an indispensable figure in the North."

The 77-year-old O, a close friend of late President Kim Il-song and one of three North Korean Workers' (Communist) Party Politburo Presidium members, is reportedly suffering from lung cancer. The other two members are the deceased senior Kim and his son and designated heir Kim Chong-il.

"Had O's physical condition been considered hopeless, Pyongyang would not have sent him abroad for medical treatment. O has come to Paris probably because they judged that he can recover despite his advanced age, and they want to save his life by resorting to all means available," the source speculated.

O's presence in Paris is disadvantageous to Pyongyang as it has exposed weakness in the North Korean leadership, the source opined. Had his trip to France been designed to ease him out of his top post, the source added, the North would not have resorted to such complicated steps.

The North's second most important personage arrived in Paris from Beijing Tuesday aboard a special plane, accompanied by a six-member entourage. Enconced at the North's general mission here, O underwent a physical checkup at Laennec hospital in Paris Thursday, whose outcome is unknown.

#### **French Doctor Gives Prognosis**

*SK3010044994 Seoul TONG-A ILBO in Korean 30 Oct 94 p 2*

[Correspondent Pang Hyong-nam, Paris]



[FBIS Translated Text] O Chin-u, minister of the North Korean People's Armed Forces, has terminal lung cancer and may not be able to live longer than six months to one year, a French lung cancer medical specialist who conducted a medical examination of O Chin-u said on 29 October.

Professor (Eben) from Laennec Hospital in Paris who examined O Chin-u on 27 October said: An X-ray has confirmed that O has terminal lung cancer. We will take a computer tomogram soon to determine whether we should operate on him or not.

Professor (Eben) said: If we decide that the operation is inappropriate, O will have to return to North Korea for treatment using an anticancer drug. Judging from his present condition, we can hardly expect him to recover, even with all the advanced medical technology of the Western world.

Professor (Eben) added that O wanted to be hospitalized in China's Beijing Hospital but that he came to Paris after the Beijing Hospital referred him to the Laennec Hospital.

### Theories on Consequences to North

SK3010020094 Seoul THE KOREA HERALD in English 30 Oct 94 p 2

[FBIS Transcribed Text] The appearance of North Korean Minister of the People's Armed Forces, O Chin-u in France, has begun to rekindle the curiosity of inquisitive minded people about what's going on in the reclusive country, during the slow transition to power of Kim Chong-il.

O, who is ranked second in the North Korean political hierarchy following de facto leader Kim Chong-il, arrived in Paris Tuesday, to receive medical treatment for his alleged lung cancer. On Thursday, he underwent a medical examination by lung cancer specialists at the Laennec Hospital in central Paris and is waiting for results.

Some French Government officials who have met him said that O's health seemed to be in a serious condition and he might have to stay in Paris for a prolonged period of time.

It is apparent that the 77-year old came to France for the removal of a malignant tumor if he really developed one and if it is not too late. And that naturally leads one to raise a question.

What will happen to the formative Kim Chong-il regime if he dies?

Some say that he chose to go abroad for treatment of his ailment since North Korea is far behind advanced nations in surgical procedures. However, North Korea watchers here suspect that Kim Chong-il could have sent

O to Paris to head off any military coup attempt or international suspicions that may arise if he died in his country.

They argue that the defense minister's death, at a time when the formation of a new leadership in North Korea looks imminent, may expedite possible changes in the power configuration of the Communist country, that is, his death will likely signal the prelude to the total exit from the political scene of the highranking veterans of the first generation revolutionaries who presently constitute the core of the forces behind the dictatorial regime.

A government official in Seoul also analyzed that the disappearance of O will lead Kim Chong-il to consider seriously replacing the revolutionary old guards with his close associates and technocrats over whom he can wield more influence.

O, close confidant of the late Kim Il-song, is believed to have opposed to the transfer of power to Kim Chong-il until the early 1980s. As the highest-ranking veteran of the first generation revolutionaries, he might have dreamt of becoming the No. 1 man in the North.

In 1984, he stayed out of public view for quite a while after he was injured in a traffic accident. Rumors abounded at that time. Some Western reports had it that something happened to O after he was found to have been involved in an unsuccessful coup attempt against Kim Il-song.

Anyhow, since then, O is known to have pledged loyalty to Kim Chong-il, who conferred him the title of "marshal" of the People's Army in 1992, making clear that O is under Kim in political order.

Another theory regarding North Korea after the death of O points to a collective leadership system instead of one with Kim Chong-il as the paramount leader of the Communist country.

According to the theory, Kim, who has no military experience, will seek an alliance with the first generation of revolutionaries who can provide strong patronage for him.

By all accounts, the death of the ailing defense minister will affect North Korea's Communist regime fundamentally. And no one can predict for sure at the moment that without O, which direction the regime will take.

### Source on ROK Firms Outside of Special Zones

SK3010094894 Seoul YONHAP in English 0942 GMT 30 Oct 94

[FBIS Transcribed Text] Seoul, [no date as received] (YONHAP)—North Korea appears to have decided to allow South Korean business office not only in the Rajin and Sonbong Special Free Economic Zone, but also in Pyongyang, too, when the two Koreas resumes economic exchange.



The Beijing office of the Koryo National Development Association, which is a North Korean window for economic exchange with the South, has been dropping hints to South Korean businessmen in Beijing recently, said a government official Sunday.

With the government prepared to go ahead with the announcement of the first step to economic exchange with the North in the near future, which might include a guideline for the establishment of branch offices in the North, South Korean firms may be able to set up their branches in Pyongyang by year-end, if not sooner.

South Korean corporations hoping to do business with the North including Samsung, Hyundai, and Lucky-Goldstar have already sounded out the Koryo Development officials in Beijing under the pretext that branch offices in Pyongyang would help them manage their business better, because they can have easy access to North Korean bureaucrats there.

The government official said the Koryo National Development people were said to have reacted positively to the questions by Seoul business representatives, saying branch offices would not only be allowed in industrial zones in Nampo, Rajin and Sonbong, but, also, in Pyongyang.

He went on, "It really is strange that they have not tried to restrict South Korean businesses to the special industrial zones, but most likely, they intend to introduce Southern business firms as those dedicated to upholding national causes, above all else, not sold out to foreign interests."

He said if the government firms up its policy to allow businesses to set up branches in the North, they may be able to do so within this year. But, on the other hand, it may be delayed a little because of a number of problems to be thrashed out such as the number of representatives to be stationed and the duration of their stay, before the firms can go ahead with their branches in the North.

#### **Foreign Minister Han on U.S.-DPRK Agreement**

*SK3110054994 Seoul WEEKLY THE KUKCHONG  
SINMUN in Korean 31 Oct 94 p 3*

[Article by ROK Foreign Minister Han Sung-chu: "Larger View on the Expansion of Diplomatic Horizon—U.S.-North Korean Agreement and Direction of ROK Diplomacy"]

[FBIS Translated Text] Since North Korea's withdrawal from the Nuclear Nonproliferation Treaty [NPT] in March 1993, the ROK and the United States have exerted joint efforts to resolve the North Korean nuclear issue under the basic position that the issue should be resolved through dialogue as much as possible. Such efforts resulted in a settlement and chief delegates of the United States and North Korea formally signed the agreed framework on 21 October, 1994. Even though the

process was very difficult and the agreement is somewhat unsatisfactory, in general, the goal of our policy was reflected.

As the North Korean nuclear issue, which has been a heavy burden and bondage to the North-South relations and the ROK's diplomacy, is now facing a new turning point, the government will carry out more active and initiative diplomatic policies not only with four major powers but with the entire world. The government will pay special attention to reunification efforts to create general conditions for North Korea to eventually become a responsible member of the international community.

In other words, we have to take a larger and more general view of peace and stability of the Korean peninsula, the promotion of North-South relations, the eventual opening of the North Korean system, and the possibility of expanding our diplomatic horizon.

The agreement consists of an agreed framework, which was open to the public, and a confidential minute.

During the drafting of the confidential minute, the ROK Government had sufficient discussions with the United States on every item, and we make it clear that our position was reflected.

Regarding the verification of suspicion over past nuclear activities, North Korea agreed to implement all the obligations stipulated by the International Atomic Energy Agency [IAEA] safeguard accord, including all the measures deemed necessary by the IAEA, "before the delivery of core parts of the light-water reactors."

The timing of special inspections was somehow later than we expected, but it is significant that North Korea accepted special inspections for the first time since its withdrawal from the NPT claiming that the two undeclared facilities were military facilities.

Regarding the freeze of nuclear activities and dismantling of related facilities, North Korea agreed to freeze all the activities of existing nuclear facilities within one month of the signing date, and dismantle all the related facilities in accordance with the progress of the construction of light-water reactors. That is, North Korea will not refuel the five-MW(E) [megawatts electric] reactor, suspend the construction of the 50-MW(E) and 200-MW(E) reactors, close down the reprocessing facility called radiochemical laboratory, and place all the facilities under the surveillance of the IAEA. Moreover, North Korea will eventually dismantle these facilities before the operation of the light-water reactors.

Regarding the spent fuel currently stored in the cooling pond after being removed from the five-MW(E) reactor in May, North Korea agreed not to reprocess these fuel rods during the construction of light-water reactors but safely store them in North Korea for an eventual transfer to a third country.



The ROK position has been that we could be flexible in the timing of the transfer to a third country as long as the spent fuel is not reprocessed and the closing down of the reprocessing facilities is assured. The basic position is reflected in the agreement.

The IAEA will closely monitor the freeze and eventual dismantlement of North Korean graphite-moderated reactors and related facilities, and North Korea will provide full cooperation to this. Therefore, the present and future nuclear activities of North Korea are under strict surveillance of the IAEA. We should not overlook this important point.

Next, regarding the NPT issue, North Korea officially acknowledged in the current agreement that it is a country concerned. Thus, the issue of the NPT's position has been completely resolved. That North Korea—which had declared its intention to withdraw from the NPT because of the special inspection issue—has returned to the NPT completely, accepting a special inspection, is another important point of the current agreement.

In connection with the light-water reactor issue, the United States has agreed to provide about 2,000 MW(E)-capacity light-water reactors to North Korea. A 2,000 MW(E)-capacity light-water reactor means two 1,000 MW(E) atomic reactors, and this means again the No. 3 and 4 reactors which are now under construction in Ulchin, South Korea. This is the firm position of both the ROK and the United States. North Korea is also well aware of this.

According to the agreed framework, an international consortium that will take charge of financing the light-water reactors to be provided to North Korea, will be formed, and efforts will be made so that a supply contract can be made with North Korea to provide light-water reactors within six months after the agreed framework is signed.

In connection with the composition, function, and role of the international consortium, it is likely that about 10 countries, including the ROK, the United States, Japan, China, Russia, Australia, Britain, and Canada will participate in the consortium.

Why should we pay money for providing light-water reactors to North Korea? I would like to stress some points that should not be overlooked:

First, providing light-water reactors to North Korea is in accordance with the agreement to freeze North Korea's graphite moderate reactor system and related facilities which are suitable for nuclear development and to finally dismantle them.

Freezing and dismantling by North Korea of the graphite-moderated reactor system and its related facilities is not an international duty but is a result of North Korea's decision to change its graphite-moderated reactor system into a light-water reactor system.

Second, it is being discussed that the provision of light-water reactors will not be a grant-type aid but will be a credit-type one.

Third, the light-water reactors to be provided to North Korea will be the so-called "ROK-model" reactors, which are now under construction in Ulchin.

Looking ahead to the eventual peaceful reunification of the Korean peninsula, no one will object that light-water reactors, which are of the same type as our atomic reactor system, should be built in North Korea.

Fourth, our financial assistance presupposes that our enterprises will play a central role in designing the "ROK-model" light-water reactors, supplying major equipment and materials, and carrying out construction work. In other words, our technologies and enterprises will participate in the construction work, and, as a result of this, our business circles will be able to take part in many aspects of the construction of light-water reactors in North Korea.

Fifth, an opportunity in which our atomic power plant construction technology can be advanced overseas will be provided. Our participation in the construction of light-water reactors in North Korea will greatly contribute to promoting exchange and cooperation with North Korea, to improving North-South relations, and to achieving opening-up of the North Korean society.

On the other hand, in connection with the alternative energy issue, the United States has agreed to provide heavy oil—50,000 tonnes in the early stage and 500,000 tonnes to the maximum—to North Korea as alternative energy in return for freezing the operation of the five MW(E) atomic reactor and the construction of 50 MW(E) and 200 MW(E) in North Korea.

The 500,000-ton amount is not a quantity agreed without any basis but is based on the overall technological evaluation of North Korea's expected loss of electric power which may be caused by the suspension of the operation of 5MW(E) reactor and of the construction of 50MW(E) and 200MW(E) reactors. Moreover, the decision was made after drawing a technological conclusion that heavy water cannot be used for military purposes but is used only for the purpose of producing energy.

The most difficult part during the talks was the North-South dialogue.

In the agreement, North Korea agreed that first, it will consistently take steps to implement "the joint declaration for denuclearization of the Korean peninsula," and second, it will begin North-South dialogue, as the agreed framework will help create the atmosphere favorable to promoting dialogue.

North Korea opposed to include the principle for holding dialogue in the agreement. However, the U.S. side maintained the firm position calling for its inclusion



based on close consultations with us. As a result, North Korea finally agreed to include the North-South dialogue in the agreement.

Regarding the issue of improving U.S.-DPRK relations, the two sides agreed that they will relax certain trade and economic sanctions within three months after the agreement and that they will establish liaison offices in the capitals of each other's nation after matters on consular affairs and technological problems are resolved through expert-level talks. They agreed to ultimately upgrade their relations onto ambassador-level relations according to the progress made in the matters of mutual interests.

The ROK and the United States unanimously reached an agreement that they will manage all situations so as to advance North-South dialogue in harmony with U.S.-DPRK dialogue.

It is a unanimous opinion of experts, however, that a considerable period of time will be necessary until the ultimate establishment of U.S.-DPRK diplomatic relations, because various impending issues, namely the issues of missiles, chemical weapons and human rights, should be resolved beforehand.

The greatest significance in the current U.S.-DPRK agreement is, above all, that they provided the foundation for a basic solution to the North Korean nuclear problem.

If they fail to reach an agreement during the current talks, there is a great possibility for North Korea to reload fuel in the 5MW(E) reactor and to push ahead with reprocess of fuel rods which were already extracted and used. If this situation actually takes place, the basis of U.S.-DPRK dialogue will be destroyed and the issue will be referred to the UN Security Council. As the result, sanctions on North Korea will be discussed again and tensions will be heightened on the Korean peninsula, as seen last May.

I think that the current U.S.-DPRK agreement does not necessarily mean the complete resolution of the North Korean nuclear problem but can be defined merely as the beginning of the process for a solution.

Therefore, the government will closely cooperate with the United States and the international community so that North Korea's nuclear development is basically blocked through its sincere fulfillment of the current agreement and that North Korea's nuclear suspicion is completely removed.

#### **U.S. Reportedly Intensifies Trade Pressure**

*SK3110032394 Seoul HANGYORE SINMUN in Korean 31 Oct 94 p 2*

[Report by Kim Song-kil: "Intensified U.S. Trade Pressure"]

[FBIS Translated Text] Following its pressure for the opening of automobile markets, the United States has

asked the ROK to expand its imports of U.S.-produced corn flour and to relax restrictions on its candy and communications equipment imports. Thus, the United States keeps intensifying its trade pressure on the ROK. This was revealed on 30 October.

It has been learned that during a ROK-U.S. working-level conference slated for 2 November in Seoul, the U.S. Government will ask that the ROK increase its imports of corn flour used to produce corn flakes and drastically amend relevant regulations that are blocking U.S. business firms from advancing into the ROK domestic candy markets.

Regarding the approval of modes of various communications equipment, as well as the issue of standards for such equipment, the U.S. Government is asking for ROK domestic laws and regulations to be amended, including the relaxation of a requirement in submitting relevant documents and insurance of secrets in business operation.

It was also learned that the United States will continually demand the strengthening of protection of intellectual property rights and the expansion of the opening of automobile markets which were discussed during the working-level trade conference held in Washington recently.

#### **Foreign Ministry on U.S. Trade Issues Talks**

*SK3110083894 Seoul YONHAP in English 0823 GMT 31 Oct 94*

[FBIS Transcribed Text] Seoul, Oct. 31 (YONHAP)—Mid-level officials from South Korea and the United States will negotiate auto and cigarette imports, labeling and other matters at regular trade talks in Seoul Nov. 1, the Foreign Ministry said Monday [31 October].

Kim Kwang-tong, deputy director-general for international trade, and counselor at the American Embassy John Hoog will lead the Trade Action Group (TAG) meeting as a follow-up to higher-level negotiations held in September.

The agenda includes South Korea's import of American automobiles and cigarettes, quarantine inspections, labeling and import inspection of construction and medical equipment.

Ministry officials said they intend to take issue with a pending U.S. anti-dumping investigation into South Korean-made color television sets, asking for a prompt decisions to minimize penalty payments.

#### **Kim Tae-chung on Discussions With PRC Leaders**

*SK2910094894 Seoul YONHAP in English 0938 GMT 29 Oct 94*

[FBIS Transcribed Text] Seoul, Oct. 29 (YONHAP)—Chairman Kim Tae-chung of the Asia-Pacific Peace



Foundation will leave for Beijing on Tuesday on a 10-day tour of China at the invitation of a government council on foreign relations.

In Beijing, he will meet Chinese leaders to discuss the inter-Korean issues unfolding after the recent nuclear agreement between North Korea and the United States and invite them to attend a world leaders' meeting his foundation will hold in Seoul early December.

He will also deliver a lecture at Beijing University and visit Shanghai, Tianjin, Xian and Shenzhen free trade zone.

### **Significance of PRC Li Peng's Visit Analyzed**

*SK2910002694 Seoul YONHAP in English 0018 GMT 29 Oct 94*

[Report by Yi Tong-min]

[FBIS Transcribed Text] Seoul, Oct. 29 (YONHAP)—Chinese Premier Li Peng makes his grand entrance in South Korea next week as the highest official ever to visit from Beijing, perhaps to compensate for bilateral political relations that lag far behind economic ties.

Li arrives Monday with over 170 people in his entourage, including at least 30 businessmen flying in separately. The official entourage includes Vice Premier-Foreign Minister Qian Qichen, who is among six ministerial-level figures in the list.

He will call on President Kim Yong-sam as soon as he arrives and spend the next three days touring major industrial sites and visiting the famous Cheju Island before leaving Nov. 4.

As the itinerary reflects, the two sides have a tacit understanding that Li's visit will be economy-oriented. The likely practical benefits of the visit are no small matter.

The two sides plan to sign an aviation agreement opening direct flights between their capitals and a nuclear energy cooperation pact. Three sub-pacts accompany these agreements—those on joint aircraft production, peaceful use of nuclear energy, and a feasibility study for reactor construction.

The accord on the reactor feasibility study opens the way for South Korea to bid in China's atomic projects while boosting Seoul's morale by confirming Beijing's trust in South Korean-style reactors, officials explain.

"The talks this time will focus on specifying the tasks given to the industrial cooperation committee," said Yu Pyong-u, director-general for Asian and Pacific Affairs at the Foreign Ministry.

The committee, established last June, works on automobiles, aircraft, telephone switching systems and high-definition television. Officials here hope to add construction to the committee's duties.

The political significance of Li's visit is far less visible than these tangible economic fruits. Protocol officials refuse to call the Li-Kim meeting a "summit," saying this term should be reserved for Chinese President Jiang Zemin, who may come next year.

Some political meaning can nevertheless be found, according to the officials.

"Look at the timing of the visit," said one. "Considering the internal situation in North Korea and Beijing-Pyongyang relations, China showed resolve by deciding on Li's visit. Beijing's intended meaning is all there."

The visit will bring subtle results as well. The two nations' foreign ministers are to meet Nov. 2 for intense discussions on more political and pressing issues—i.e. analysis of North Korea's political situation, inter-Korean relations, the recent U.S.-North Korea nuclear agreement and follow-up steps.

This will be the first foreign ministers' meeting since the nuclear agreement of Oct. 21.

"It's true that political exchanges did not catch up to economic relations, which have grown much faster than expected since diplomatic normalization in August 1992," said Yu. "Li's visit may just be the right event to change this around."

### **Planned Visit Itinerary Outlined**

*SK3110000094 Seoul TONG-A ILBO in Korean 31 Oct 94 p 1*

[FBIS Translated Text] Li Peng, premier of the PRC State Council, and his wife will arrive in the ROK on 31 October for a four-night, five-day visit.

Premier Li will arrive at the Seoul Airport on 31 October and will hold private talks with President Kim Yong-sam at Chongwadae [presidential offices] in the afternoon, followed by expanded talks. He will attend a dinner hosted by President Kim.

President Kim and Premier Li will discuss the situation of the Korean peninsula, including the North Korean nuclear issue and North-South dialogue, and cooperation between the ROK and the PRC in the fields of middle-weight aircraft, automobile, high-definition television, time division exchange, and atomic energy. After the talks, a ceremony for the signing of an aviation agreement between the two countries will be held.

Premier Li's suite members include Vice Premier and Foreign Minister Qian Qichen and leading PRC businessmen.

Premier Li's itinerary during the ROK visit is as follows:

1 November: Visit to the National Assembly, courtesy call on the ROK prime minister, luncheon hosted by the prime minister, inspection tour to Daewoo's Pupyong plant, dinner with heads of ROK economic organizations;



2 November: Inspection tour to Samsung Semiconductor's Kihung plant, luncheon hosted by Samsung, inspection tours to Samsung Aerospace's Changwon plant and Daewoo Heavy Industries, dinner hosted by the mayor of Pusan;

3 November: Inspection tours to Hyundai Motor's Ulsan plant and Hyundai Heavy Industries, luncheon hosted by Hyundai, arrival in Cheju;

4 November: Tour around Chungmun complex, departure.

### **PRC Premier Li Peng Arrives in Seoul 31 Oct**

*SK3110045694 Seoul YONHAP in English 0450 GMT  
31 Oct 94*

[FBIS Transcribed Text] Seoul, Oct. 31 (YONHAP)—Prime Minister Li Peng arrived here Monday for a five-day trip, becoming the highest Chinese Government official ever to visit, at the invitation of South Korean President Kim Yong-sam.

Li meets President Kim later in the afternoon for private talks on the regional political situation, North Korea's nuclear problem and bilateral ties. The private meeting will be followed by expanded talks with major ministers at their sides.

The two countries will sign three pacts after the Li-Kim meeting, including one opening direct flights between their capitals.

The other two accords cover nuclear technology cooperation and joint aircraft production.

South Korean presidents have gone to Beijing twice since diplomatic normalization on Aug. 24, 1992, but this is the first time that a Chinese leader has traveled to Seoul.

The Chinese prime minister is accompanied by six ministerial-level officials and scores of business leaders for a visit that accents economic relations with South Korea.

He will meet South Korean Prime Minister Yi Yong-tok and have dinner with business officials from the two sides on Tuesday after a short tour of industrial sites.

Li continues the industrial tour on Wednesday and Thursday, taking him to the southern cities of Pusan and Ulsan. He visits the southernmost island of Cheju on Thursday before returning to China the following day.

Foreign Ministers Han Sung-chu and Qian Qichen will hold separate talks on Wednesday, their first get-together since North Korea and the United States signed a landmark nuclear agreement on Oct. 21.

They are expected to discuss necessary follow-up steps and share views on North Korea's internal political situation.

### **Meets Privately With President**

*SK3110082894 Seoul YONHAP in English 0820 GMT  
31 Oct 94*

[FBIS Transcribed Text] Seoul, Oct. 31 (YONHAP)—South Korean and Chinese leaders emphasized continued friendly cooperation Monday [31 October] to stabilize the Korean peninsula while giving high marks to the recent North Korea-U.S. nuclear agreement.

Premier Li Peng, the highest Chinese official to ever visit South Korea, met privately with President Kim Yong-sam for an hour after his arrival earlier in the day.

The meeting was followed by expanded talks with cabinet ministers attending.

Discussing the North Korean nuclear situation, they agreed that Pyongyang should implement the terms of the agreement with Washington in order to fully solve the problem.

Kim asked Beijing to play a constructive role in supporting the accord and in getting the parties to adhere to the pact, officials said.

They were one in wishing for an early resumption of substantive inter-Korean dialogue, noting that South-North issues should be resolved by Seoul and Pyongyang.

They agreed that the nuclear pact and the emergence of a new North Korean leadership provide opportunities to create fresh inter-Korean relations, the officials said.

President Kim voiced hope that inter-Korean summit talks, delayed indefinitely after North Korean President Kim Il-song's death in July, would be pursued again and the two Koreas could start building political and military trust.

The officials said the two leaders exchanged views on North Korea's internal affairs, presently characterized by an unexplained power vacuum, and concluded early establishment of Kim Chong-il's regime would help stability on the Korean peninsula.

Li came with a 150-member entourage including six minister-level officials and some 50 business leaders. Seoul and Beijing normalized ties in August 1992.

The two leaders were satisfied with the progress made in industrial cooperation and agreed to add a fifth sector—nuclear cooperation, the officials said.

Kim sought Chinese support for Seoul's bid for a non-permanent seat on the UN Security Council and to field its trade minister as the first World Trade Organization (WTO) director-general.

Li, on the other hand, asked South Korea to back China's application to join the General Agreement on Tariffs and Trade (GATT).



Kim extended an invitation again for Chinese President Jiang Zemin to visit Seoul in the near future, the officials said.

### **Discusses DPRK, Economic Ties**

*SK3110091094 Seoul KBS-1 Radio Network in Korean  
0800 GMT 31 Oct 94*

[FBIS Translated Text] In the 31 October tete-a-tete at Chongwadae [presidential offices], President Kim Yong-sam and Premier Li Peng of the PRC shared the view that as long as it is important for North Korea to faithfully implement the agreement between Washington and Pyongyang, it is necessary for the ROK and the PRC to maintain closer ties than ever before toward this end.

President Kim and Premier Li Peng shared the understanding that the agreement reached between the United States and the North, as well as the new leadership system in North Korea, have both provided momentum for the South and North to establish a new relationship. They also shared the perception that it is desirable substantial dialogue should be resumed between the South and North on the basis of the principle that the parties concerned should solve relevant questions by themselves.

In particular, Premier Li Peng explained the latest situation in North Korea, while President Kim made clear his opinion by saying it is desirable to see the quick stabilization of North Korea's Kim Chong-il leadership system, and that when North Korea's leadership system is officially inaugurated, a summit between the South and North should be pushed in the future.

In the enlarged meeting that followed, President Kim asked the PRC to remove barriers to trade and investment, while stressing the need to further expand commercial cooperation in four fields—such as aircraft, automobiles, (total digital) exchangers, and high-definition television sets upon which agreement was reached last March. In particular, President Kim asked the PRC to give special consideration to as many ROK enterprises as possible to participate in the PRC's construction of atomic power plants and its modernization of three telecommunication projects. In this connection, he made it clear Seoul is willing to provide the PRC with long-term, low-interest funds for economic cooperation.

### **Discussion Said 'Beneficial'**

*SK3110120394 Seoul YONHAP in English 1151 GMT  
31 Oct 94*

[FBIS Transcribed Text] Seoul, Oct. 31 (YONHAP)—Talks between President Kim Yong-sam and visiting Chinese Premier Li Peng lasted one hour and 50 minutes, 30 minutes more than scheduled, at Chongwadae [presidential offices] Monday [31 October] afternoon.

The talks took place in the form of an exclusive meeting followed by an expanded meeting attended by some of their ministers as well.

President Kim greeted Premier and Mrs. Li at the porch of the main Chongwadae building, who were calling on the presidential couple after a brief rest at the Hotel Lotte in downtown Seoul following their arrival at Seoul airport.

Kim said now is the best season in Korea. Li replied that as he looked down from airplane, he could see the beautiful crimson-tinted colors of Korean forests.

Prior to the talks, the Chinese premier signed on a visitor's register and the two leaders and their wives posed for a picture.

The exclusive Kim-Li talks took one hour and 15 minutes, 25 minutes more than the planned 50 minutes.

Following the talks, the two leaders moved to another room to witness the signing of two agreements and a memorandum.

Foreign Minister Han Sung-chu and his Chinese counterpart, Qian Qichen, signed the Korea-China Aviation Agreement and agreement on cooperation in atomic energy.

Memorandum of understanding on the development of civil airplanes was signed by Trade, Industry and Energy Minister Kim Chol-su and Vice Chairman Shi Wanpeng of the China State Economy and Trade Commission.

After the Kim-Li talks, Chongwadae Spokesman Chu Ton-sik and Chong Chong-uk, senior Chongwadae secretary for foreign and national security affairs, stepped into the press room to explain about the talks.

"President Kim and Premier Li had in-depth and beneficial discussions on inter-Korean relations and other Korean situations," said Chong.

He said the two leaders shared the view that the recent U.S.-North Korea agreement served to solidify peace on the Korean peninsula and lay a base for resolving the North Korean nuclear question.

Chong said President Kim and Premier Li also exchanged "deep and significant opinions" on the North Korean situation, but decided not to disclose details of their talks.

Premier Li, the Chongwadae secretary said, promised that China would support Trade, Industry and Energy Minister Kim as World Trade Organization (WTO) secretary-general.

"Since the American region and Europe have their own candidates, Asia should have a candidate of its own who should succeed in obtaining the top WTO post," Li was quoted as saying.

### **Witnesses Aviation, Atomic Accords**

*SK3110115894 Seoul KBS-1 Radio Network in Korean  
0800 GMT 31 Oct 94*

[FBIS Translated Text] On 31 October, our country and the PRC concluded a civilian aviation agreement on the



opening of direct air routes between the two countries, and an atomic energy cooperation agreement on the peaceful use of atomic energy.

These two agreements were concluded this afternoon between Foreign Minister Han Sung-chu and PRC Foreign Minister Qian Qichen in the presence of President Kim Yong-sam and Premier Li Peng of the PRC. In particular, the aviation agreement will open direct air routes to five major Chinese cities, including Beijing, and thus is expected to contribute largely to the promotion of trade between the two countries.

Also, the ROK and the PRC concluded an agreement to cooperate in atomic energy matters, thereby laying the foundation for our country to participate in the construction of approximately 30 atomic power plants being planned by the PRC, and securing an apparatus for cooperation between the two countries in preparation against any atomic power plant accidents in the PRC.

#### **Gives Speech at Dinner Banquet**

SK3110121894 Seoul YONHAP in English 1211 GMT  
31 Oct 94

[FBIS Transcribed Text] Seoul, Oct. 31 (YONHAP)—President Kim Yong-sam said on Monday evening that as the Asia-Pacific age is fast approaching, a closer Korea-China relationship is becoming ever more important.

In a dinner speech during a banquet he hosted at Chongwadae [presidential offices] for visiting Chinese Premier Li Peng, President Kim said expanding bilateral cooperation will greatly contribute not only to the shared prosperity of the two countries but also to the peace and prosperity of Northeast Asia in general.

Saying that no individual Northeast Asia countries can enjoy peace and stability without those of the region as a whole, the president expressed the hope that South Korea and China will pull even more closely together in the coming years to promote stability and peace in the region.

In his table address, Premier Li, saying Beijing highly values South Korea-China relations, stated his country would strive to further develop goodwill neighborly relations based on the five principles for peaceful coexistence.

He said China expects that the Korean situation will steadily become eased with the South and the North removing their mutual distrust and cooperating with each other to accomplish peaceful unification.

"Peace, stability and development on the Korean peninsula are in accord with the flow of historical development let alone with the overall interests and wishes of the Koreans," Li said.

#### **Consequences of Estrangement With Taiwan Viewed**

SK3010060894 Seoul THE KOREA HERALD in  
English 30 Oct 94 p 8

[By correspondent Choe Song-chin ]

[FBIS Transcribed Text] TAIPEI—Korean and Taiwanese travelers to each others' country have to fly foreign airlines, mostly either Cathay Pacific or Singapore Airlines.

It's an ill wind that blows nobody any good. But while the two bigger Asian dragons are estranged diplomatically, the two other smaller but shrewder counterparts of them are reaping the windfall.

Even so, few people with influence in both countries seem to lose much sleep over the situation if the steady decline in the number of governmental and corporate visitors is any guide.

Taiwan broke off diplomatic relations with Korea in August 1992 when the latter normalized ties with China. Taipei then announced a set of economic sanctions on Seoul, including the suspension of bilateral aviation accord.

Two-way trade in 1993 grew a weak 3.5 percent from a year ago to \$3.7 billion, compared with the healthy 14.6 percent gain registered in the 1991-1992 period, according to figures from Korea's Economic Planning Board. Taiwan's economic restraints have cost Korea about \$372 million a year in lost exports. Among major victims were not only such merchandise shipments as autos and fruits, but also some invisible trades, including construction and transportation.

Weighing more heavily on the minds on those interested in Korea-Taiwan affairs, however, would not be these temporary economic losses but the overall picture of bilateral ties that they see as running counter to the currents of the times.

"In this post-Cold War era of national economic interests taking precedence over political concerns, the almost retrogressive trade between the two countries is neither desirable nor justifiable under any context," said Chu Song-por, senior researcher of the Institute of International Relations (IIR), at Chengchi University.

A top Korean envoy here could hardly agree more. "Both countries, particularly Korea, are losing much economically amid the diplomatic limbo," said Han Chol-su, representative of Korean mission in Taipei established last November.

Taiwan is in fact among the handful of countries with which Korea is building a sizable trade surplus, around \$900 million, or \$1.2 billion by Taiwanese statistics.

That may not be all there is to it. As Han sees it, Korea is underestimating too much Taiwan's strategic importance in both economic and diplomatic terms, which he said becomes more pivotal when one sets sights beyond the current horizon.



"No one can deny China's importance to Korea, particularly because of Beijing's influence on our national security and reunification as well as its huge market," said the Korean representative here in an interview with the Herald. "But that's no reason for us to treat Taiwan negligently." Balance and check [subhead]

Assuming that China and Taiwan will be reunified, or that the so-called pan-Chinese economic sphere will turn into a reality in some distant future, Korea will badly need a beachhead to China, as its center, Han said. "Would there be any better place than here for such a foothold?"

Another mission official cited in this regard a recent news report saying that one in every five Korean businesses operating in Taiwan have failed for various reasons, including a lack of understanding about Chinese culture.

Diplomatically, Seoul also needs to be more fair and square, as viewed by Han, who had served as the Korean ambassador here until 1990.

"We are not living in the late 1890s when Korea was still paying tributes to China. If Beijing plays Seoul against Pyongyang, why can't Seoul do the same?" asked the general-turned-diplomat, in apparent reference to the latest similar moves by Washington and Tokyo, although he acknowledged certain limits in Korea going that far.

More immediate potential for mutual cooperation between Seoul and Taipei lie in economic areas, though.

Analysts from both countries say that no two countries in the world share more similar economic backgrounds than Korea and Taiwan do; they both have had government-controlled, export-led economic growth since the '60s with a heavy dependence on the U.S. market, and an overdue reliance on Japan as a supplier of key parts and technology, supporting the growth process.

Still, they do have quite a contrasting competitive structure. If Taiwan's economy is built on the strength of 800,000-odd small but adroit businesses, Korea has the advantage of large-scale heavy industry, mainly focused on 30 or so sprawling chaebol, or family-controlled conglomerates.

While the similar economic situations facing Seoul and Taipei stress the need for their joint efforts, the different industrial structure makes their implementation very difficult in practice.

In 1991, the two governments agreed to jointly develop about 200 machinery part items and buy from each other instead of from Japan to redress their heavy trade deficits with Tokyo.

The idea was plausible but the program soon hit a snag. Because of their long reliance on reliable Japanese products, both would not buy their less certain counterparts from each other, said a Korean official who participated in the program.

"The industrial structure of the two countries was also competitive in many aspects, rather than complementary so as to conduct joint development projects in a true sense," said Chung Sanghyun, a manager of the Korea Trade Promotion Corp. (Kotra).

He also cited the quite contrasting stance between the two countries in approaching their trade shortfalls with Japan. "While we wanted quick visible results in redressing the problem, the Taiwanese seemed to be in no hurry, filling their gap in trade with Japan with surpluses from other countries. The came the diplomatic breakup." New partnership [subhead]

Chu, the IIR researcher, makes a couple of suggestions in this regard.

He said first of all that the two countries open more of their import markets to each other, such as allowing their contractors to participate in each other's development programs, such as Korea's new five-year economic plan and Taiwan's six-year national development plan.

"The two countries also need to shape a joint front to cope with growing protectionism in industrial countries, such as regional trade blocs of the European Union and North American Free Trade Agreement," he said. "This should start from the two countries take sides with each other in various international forums, both regional and multilateral."

If enough confidence is accumulated through these joint endeavors at home and abroad, the two will be able to conduct joint projects in third countries, said the Korea-Taiwan affairs expert.

Standing in the way of a mature level of cooperation appear to be pending economic issues, said officials at the Korea mission who said, however, they are optimistic about an early settlement with use of diplomatic skills and more pragmatism from both sides.

"We need, most of all, to turn the old economic agreements between the two governments, into private-level accords to put the bilateral economic exchange back on normal track," said Kang Kwang-won, deputy representative of the Korean mission.

Kang, emphasizing that two-way trade had not reduced in absolute volume even after the breaking off of diplomatic ties, said that he expects economic cooperation to regain the pre-1992 strength soon.

"To reach that level, however, I believe it is important that both countries shake off the old grudges and start anew with both humble and reciprocal mindsets," he said.

Han, the mission representative, said, "My most imminent wish is to see the flag carriers of both countries resume direct flights to each other's capital by the end of this year, which will become a symbolic juncture in the future Korea-Taiwan relationship."



## **Finnish Prime Minister Aho Continues Visit**

### **Discusses Direct Air Route**

*SK2910085594 Seoul YONHAP in English 0839 GMT  
29 Oct 94*

[FBIS Transcribed Text] Seoul, Oct. 29 (YONHAP)—Finnish Prime Minister Esko Aho said here over the weekend that South Korea and Finland would start talks on Nov. 19 to open a direct flight route between the two countries.

In a pre-departure press conference, he remarked a direct air route over Siberia would greatly contribute to air cargo transportation between the two countries.

Finland, for its situation as a gateway to the former Soviet Union and eastern Europe for the Western countries and its high possibility of joining the European Union next year, expects increased cooperation with South Korea in the forestry, communications, energy and environment industries, he said.

Aho, who proposed exchanges of economic missions and college language education programs between the two nations during his four-day visit of Seoul, said Finland is interested in the Tuman River development program promoted by the UN Development Fund.

Asked if Prime Minister Yi Yong-tok had asked him to deliver his message to Pyongyang via North Korean Ambassador Kim Pyong-il in Helsinki during their meeting Friday, he replied Yi had told him he is ready to meet a North Korean leader to discuss the security problem of the Korean peninsula, adding that they did not have any detailed discussions on the matter.

### **Views N-S Mediation Role, WTO**

*SK3010015094 Seoul THE KOREA HERALD in  
English 30 Oct 94 p 2*

[FBIS Transcribed Text] Korea and Finland can create a strategic alliance which will be useful and fruitful for companies of both countries, visiting Finish Prime Minister Esko Aho emphasized yesterday.

He said Finland has become a much more interesting partner for Korean companies as eastern Europe is in the process of reconstructing and the country itself is on the brink of entering the European Union (EU).

Noting he was impressed with the advanced production technology when he visited an electronics plant south of Seoul, Aho said such a production system will be very competitive in Europe.

Winding up his four-day visit, at a news conference the Finish premier cited a list of advantages for investing in Finland.

"Finland is a country which can offer a good investment atmosphere and also entrance to the eastern European market, especially Russian market," he said.

Aho, the first Finish minister to visit here since Seoul and Helsinki established diplomatic ties in 1973, said Finland has abolished all kinds of restrictions (on foreign ownership) so that foreign companies can invest freely in the country.

He also noted the present level of capital gain taxation in Finland is 25 percent, which he said is very competitive in Europe.

Aho, in particular, emphasized that operations established in Finland today maybe the best and easiest way to enter the market in Russia.

The Finish premier, however, turned a cold shoulder to Seoul's diplomatic effort to have its trade minister elected the first secretary-general of the World Trade Organization.

He said Finland has considered the question in relation with its membership in the European Union, pointing out that the role of EU in external economic relations is essential.

"That's why we have decided to support an Italian candidate, who is a common candidate for all EU countries," he said.

Finland applied for the EU membership in 1992 and recently had a referendum in which 57 percent of the voters voted yes. It will become a EU member from the beginning of next year.

Aho expressed his view that Finland can play a role, even if limited, in mediating between South and North Korea.

Pointing out that the North Korean ambassador to Finland is a (half-) brother of Kim Chong-il, the son and designated successor of the late North Korean leader Kim Il-song, he said Finland has a possibility and opportunity to have discussions with the top leadership of the Communist country.

"We have diplomatic relations with both Koreas and I believe that in that sense we have working contacts with both sides," he said.

But he conceded that what his government can do on the issue cannot go beyond encouraging both the Koreas to engage in a dialogue.

Aho left Seoul later in the day.

## **Prime, Unification Ministers on Domestic Issues**

*SK3110100294 Seoul YONHAP in English 0806 GMT  
31 Oct 94*

[FBIS Transcribed Text] Seoul, Oct. 31 (YONHAP)—Prime Minister Yi Yong-tok, testifying about whether the prosecution will summon the former and incumbent Seoul mayors in connection with the Songso Bridge collapse on Oct. 21 at a parliamentary interpellation session Monday [31 October], said no evidence implicating them in the tragedy has been uncovered thus far.



Depending on the progress in the ongoing investigation, however, the prosecution will decide whether to call them in for questioning, he added.

The government is committed to punishing anyone found responsible for the incident, regardless of position, he stressed.

Asked about the prosecution's decision to shelve the indictment of those involved in the 1979 "coup d'etat-like incident," Yi said he understood the prosecution had taken the best possible course, considering a decision otherwise would have had a grave influence on the country's future.

Commenting on an opposition demand to scrap the National Security Law, Yi maintained the law's framework must be kept intact to protect the principles of freedom and democracy, adding that "This is an unswerving policy of the government."

Pledging that the government will hold four local elections next year as scheduled and not separately—e.g. the two lower-level local autonomous body elections after an interval of two years from the two-higher-level polls.

For any such separation, the constitution and related laws would need to be revised, he said.

Amendments to construction-related laws to stamp out unfair building trade practices and building-related irregularities will be included in the package of special bills to be put to the National Assembly during its ongoing session, Yi explained.

Deputy Premier and Unification Minister Yi Hong-ku said that should the financing for North Korea's light-water reactor project come from taxpayers' money, the government would refer an aid plan to the parliament for its approval. He was responding to a question on the government's plans to help North Korea build two new light-water nuclear reactors.

The government is studying plans to ease its policy linking inter-Korean economic cooperation to the nuclear issue now that the nuclear deal Pyongyang and Washington struck in Geneva earlier in the month has paved the way for its solution.

He said the government will soon announce a program to boost inter-Korean economic cooperation.

Commenting on the issue of replacing the truce agreement ending the Korean War with a peace treaty, the chief unification policymaker said the best policy is to follow the spirit of the basic North-South agreement calling for joint efforts to resolve the issue through dialogue under the principle of settlement by the parties to the accord, adding that the government is reviewing plans to resume inter-Korean dialogue.

Asked if the government is ready to make summit overtures to the North, he simply said, "For a successful

summit, it is necessary to set a date that is mutually convenient for both sides."

### **BOK Notes Current Account Balance Deficits**

*SK3010061094 Seoul THE KOREA HERALD in English 30 Oct 94 p 8*

[FBIS Transcribed Text] Korea's current account deficit is snowballing, with no end of the long red-ink tunnel in sight.

The country saw another month of current account shortfall in September and the cumulative deficit for the first nine months surged to an all time record-high level.

The current account deficit amounted to \$585.5 million last month, compared with a surplus of \$372.3 million a year ago, according to a preliminary tally released by the Bank of Korea (BOK) yesterday.

The September figure narrowed from a deficit of \$1,058.6 million in August but the January-September shortfall jumped to \$4,396 million from \$732.9 million during the same period a year ago.

Imports surpassing exports were cited as the main culprit for the September red ink. The central bank expected no great improvement in the current account balance during the October-December quarter.

"It will be inevitable for the country to record a current account deficit this month, given the current trend of surging imports," a central bank official said. "We don't anticipate much improvement in November and December, either and the current account shortfall for the whole year will be much higher than estimated."

The central bank originally projected a current account shortfall of \$2.5 billion for this year but the country posted a shortfall of \$2.5 billion during the first six months.

There has been mounting concern over the growing current account deficit but the central bank said the current level is not so serious as feared.

"The International Monetary Fund (IMF) guideline for the optimum amount of current account shortfall is 1 percent of gross national product (GNP) for developing countries," the BOK official said. "As of the end of September, Korea's current account deficit hovers around 1 percent of GNP and the amount is not large enough to make a dent in the national economy."

Fueled by surging imports, the country chalked up a trade deficit of \$247.6 million in September, compared with a surplus of \$595.3 million a year earlier. For the first nine months, the trade gap surged to \$2,773 million from a surplus of \$278.2 million during the same period last year.

Exports grew 16.1 percent to \$8.34 billion on a customs-cleared basis in September from \$7.19 billion a year ago.



Overseas shipments of heavy and petrochemical products surged 25.5 percent to \$5.64 billion over \$4.49 billion a year earlier, leading the export advance.

For the January-September period, the nation's exports grew 13.6 percent to \$67.4 billion from a year ago.

Growth of imports, however, outstripped export gains, cutting into the current balance. Imports shot up 25.4 percent to \$8.8 billion from \$7.02 billion during the same month a year ago.

Capital goods and raw materials led the import growth. Imports of capital goods such as machinery rose 38.4 percent to \$3.55 billion in September, compared with \$2.57 billion a year earlier.

Imports of raw materials increased 17.9 percent to \$4.3 billion from \$3.65 billion during the same month last

year. For the first nine months, imports rose 17.6 percent to \$730.3 million over \$620.8 million during the same period a year ago.

The invisible trade balance, which covers nonmerchandise trade such as royalties, transportation and travel costs, and investment income, registered a deficit of \$418.2 million in September, compared with a shortfall of \$269 a year earlier.

The capital balance posted an inflow of \$736 million last month, increasing the January-September net inflow of foreign capital to \$5,870.3 million.

As of the end of September, the nation's foreign reserves amounted to \$22.38 billion, up \$350 million from August.



**Burma****Khin Nyunt Meets With Aung San Suu Kyi***BK2810135494 Rangoon Radio Myanmar in Burmese  
1330 GMT 28 Oct 94*

[FBIS Translated Text] Lieutenant General Khin Nyunt, secretary-1 of the State Law and Order Restoration Council [SLORC], and Daw Aung San Suu Kyi held cordial discussions at the Defense Services' Guest Hall No. 1 from 0900 to 1200 today.

At the meeting, they held frank and cordial discussions on the present political and economic situation in the country, the political and economic reforms being carried out by the SLORC, and work that should be carried out for the long-term benefit of the country.

Brigadier General Than Oo, military judge advocate general; and Brig. Gen. Tin Aye, defense services inspector general, were also present at the meeting.

**NCGUB Prime Minister Views Meeting***BK3110094494 Oslo Democratic Voice of Burma in  
Burmese 1430 GMT 30 Oct 94*

[FBIS Translated Text] Dear listeners: The Democratic Voice of Burma conducted a telephone interview with Dr. Sein Win, prime minister of the National Coalition Government of the Union of Burma [NCGUB], regarding the second meeting between democracy leader Daw Aung San Suu Kyi and three SLORC [State Law and Order Restoration Council] leaders. Dr. Sein Win said the following:

[Begin recording] [Sein Win] We believe that Daw Aung San Suu Kyi herself may have demanded a meeting. The television footage of the meeting between the SLORC and Daw Aung San Suu Kyi looked like a meeting between a captive and her captors. Such converge—devoid of any detail on the meeting—is not beneficial in the long term.

Daw Aung San Suu Kyi must be given absolute freedom; she must be released unconditionally. Daw Aung San Suu Kyi should be able to meet with anyone she wants to. The meeting should take the form of a meeting between the SLORC and Daw Aung San Suu Kyi, the leader of the major party that won the election. In the long term, it is not appropriate for Daw Aung San Suu Kyi to have to meet with them on her own. This must be changed.

Another point is that this meeting is meaningless if they continue with the National Convention as Bo [military title] Khin Nyunt has pledged. The National Convention contravenes the principle of national reconciliation stressed by Daw Aung San Suu Kyi. National reconciliation will never be possible as long as the National Convention continues. Therefore, the National Convention must be called off and Daw Aung San Suu Kyi must be released unconditionally. In meetings, she should have her own delegation with the full right to hold

discussions. We think that they should not keep holding talks with Daw Aung San Suu Kyi on her own.

We believe that it was international pressure and pressure from the United Nations that brought about the meeting with Daw Aung San Suu Kyi. Whatever brought this about, holding talks is good. The talks must be held with good will; they must not be held to gain some political advantage or merely as a gesture. We think this is a very important point. If we are to serve Burma's future and current interests with genuine good will, we must set aside any political advantage. Talks must be held on equal terms and with good will even if they are held because of international pressure.

We view the meeting as positive and a good sign. Daw Aung San Suu Kyi has said that dialogue is good and that in seeking a solution it is better for the two sides to talk than to shoot. There should be no attempt to gain political advantage, though. [end recording]

**BBC Interviews NCGUB Minister***BK3110102294 London BBC in Burmese to Burma  
1345 GMT 30 Oct 94*

[BBC telephone interview with U Maung Maung Aye, information minister of the National Coalition Government of the Union of Burma, on his views on the second meeting between the State Law and Order Restoration Council and Aung San Suu Kyi; dated 30 October—recorded]

[FBIS Translated Text] [Maung Maung Aye] In principle we welcome the meeting. However, Daw Aung San Suu Kyi should be released first rather than have talks with her as a captive; the talks should be held on equal terms. The talks should be held with the objective of resolving the political problems in Burma.

We also believe that this meeting appears to coincide with the current UN General Assembly. Another point is that in holding the meeting between the SLORC [State Law and Order Restoration Council] and Daw Aung San Suu Kyi, the SLORC could make the necessary preparations and hold consultations in advance, while Daw Aung San Suu Kyi on the other hand is all on her own. We have full faith in our leader, Daw Aung San Suu Kyi. However, Daw Aung San Suu Kyi should have the right to meet persons she should meet. We also believe that the news agencies should be allowed to attend the meeting.

[Unidentified BBC correspondent] Would you say that the SLORC has started a serious dialogue with the prodemocracy forces?

[Maung Maung Aye] It is difficult for us to make such a categorical statement because there are two problems in our country—the democratic cause and the national races issue. The SLORC should meet the democratic forces and the indigenous armed groups across the table in order to seek a genuine resolution to the problems.



[BBC correspondent] There is a report that a high-level U.S. delegation headed by a senior official for East Asian affairs from the State Department is to visit Burma to discuss human rights, democracy, and the eradication of narcotic drugs. What is the attitude of the NCGUB toward this development?

[Maung Maung Aye] The U.S. Government has a clear stand toward the SLORC government. We have learned that it is not connected with the meeting between the SLORC and Daw Aung San Suu Kyi. We believe that the planned trip has good prospects.

## **Brunei, Malaysia & Singapore**

### **Malaysia**

#### **Minister on Plan To Withdraw Troops From Somalia**

*BK3110092894 Kuala Lumpur Voice of Malaysia in English 0800 GMT 31 Oct 94*

[FBIS Transcribed Text] Defense Minister Datuk Sri Najib Tun Abdul Razak said today arrangements are being made to bring home the Malaysian soldiers now on United Nations duty in Somalia. They would be brought back in batches from the end of December. He said this to reporters after presenting excellent service awards to Defense Ministry's staff.

Datuk Sri Najib said the troops would have to be withdrawn with care to ensure that the weapons and other equipment of Malaysian soldiers did not fall into the hands of factions involved in the conflict in the African nation. The UN mandate in Somalia would end in March next year and the UN will decline to continue stationing peacekeeping forces in that country.

#### **Banned Al-Arqam Leader, Followers Released**

*BK2810153794 Kuala Lumpur Radio Malaysia Network in Malay 1500 GMT 28 Oct 94*

[FBIS Translated Text] Malaysian authorities today released Ashaari Muhammad, leader of the Islamic al-Arqam movement, together with five of his followers. They were detained under the Internal Security Act. Those released along with Ashaari are Khatijah Aam, Zabidi Mohamed, Jailani Jasmani, Ibrahim Mohamed, and Soid Sulaiman. But their movements will be restricted to Kuala Lumpur and Selangor.

Superintendent Ramly Mohamed, official attached to the information division of the Malaysian Police headquarters in Bukit Aman, told BERNAMA News Agency tonight that all of them were released at about 0430 Malaysian Time [0830 GMT] this afternoon.

Two other followers, Khairul Anual Ujang and Hassan Mokhtar, are still being detained.

#### **Ashaari Granted Freedom of Movement**

*BK3010145794 Kuala Lumpur Radio Malaysia Network in Malay 1300 GMT 30 Oct 94*

[FBIS Translated Text] Ashaari Muhammad, former leader of the outlawed Al-Arqam movement, is allowed to go anywhere in the country as long as he obtains permission from the Home Affairs Ministry. Deputy Home Affairs Minister Datuk Megat Junid Megat Ayub said Ashaari is also allowed to meet his former followers who live outside the Klang valley so he can explain his deviationist Islamic teachings to them. However, Ashaari must provide a written request to obtain permission from the ministry.

Datuk Megat Junid said this to reporters after he visited an election campaign center in the [name indistinct] area. As for former followers of Al-Arqam, he said it takes time for them to renounce their beliefs. The government will continue to monitor their movements and activities.

#### **Ashaari Repudiates Movement**

*BK2910141794 Kuala Lumpur Radio Malaysia Network in English 1300 GMT 29 Oct 94*

[FBIS Transcribed Text] Ashaari Muhammad, who headed the outlawed al-Arqam movement, has declared that the movement is a thing of the past and urged his followers to return to the true path. He said this meant that he was no longer the leader of al-Arqam and its leadership hierarchy was also nonexistent. In his first meeting with his followers after his release from detention yesterday, Ashaari said it was not too late for them to change their ways and opt for the (?right) Islamic principle. He told them to leave the mistakes behind them and pick up the good.

He was speaking at an hour long address to some 1,000 followers at the al-Arqam commune in Sungai Penchala, near Kuala Lumpur. Ashaari, who has confessed to propagating deviationist teachings and has repented, said it was his earnest hope that his followers would renounce their wrong beliefs.

#### **Treasury Report on 1994-95 Budget Issued**

*BK2910120494 Kuala Lumpur Voice of Malaysia in English 0800 GMT 29 Oct 94*

[FBIS Transcribed Text] An overriding priority of the government this year, amid the period of prolonged and strong economic growth, is to ensure that the rapid growth is sustained with no inflation.

The Treasury's 1994-95 economic report points out that inflation has the adverse effect of eroding the real income of consumers. At the same time the pleasure of wage increases if not matched by productivity increases will affect the competitiveness of the economy. In a focus on the management of the Malaysian economy in 1994, the report said the government has further intensified



efforts to combat inflation by continuing efforts in exercising greater fiscal prudence. It has also adopted a tight monetary stand and introduced administrative measures which include enhancing public awareness of the dangers of inflation. The fiscal and monetary measures are aimed at managing the level of the mark and reducing the level of liquidity.

The inflation rate of this year is not expected to exceed 3.8 percent. This is based on the consumer price index, CPI, which eased steadily to a low of 3.3 percent in August, after picking at 5 percent in February. The inflation rate could have been at 2.9 percent if not for the substantial increase in food prices, which rose by 5.6 percent due largely to supply shortages.

### Cambodia

#### Government Widens Search for Western Hostages

BK2810152294 Hong Kong AFP in English 1251 GMT  
28 Oct 94

[Report by Michele Cooper]

[FBIS Transcribed Text] Phnom Penh, Oct 28 (AFP)—Cambodia widened the search Friday for the three Western tourists kidnapped by the Khmer Rouge and for the guerrilla leader who held them, as it denied reports the hostages had been killed.

Cambodian Co-Prime Minister Prince Norodom Ranariddh said he had asked General Ke Kimyan, the chief of staff, to oversee operations and report back to him regularly after two days of wildly conflicting information.

"I don't want to speculate," he said Friday. "I want solid evidence on what happened." His remarks followed a statement earlier Friday from the defense ministry denying reports from Kampot that the three hostages were dead and saying it had received information they had been moved northward in early October.

The position of foreign diplomats following the affair in Phnom Penh remained unchanged, however. They said the reports that the three were dead, while unconfirmed, remained credible. Only if the hostages were found alive or if their remains were recovered and identified could the affair be put to rest, the diplomats said.

Australian David Wilson, 29, Briton Mark Slater, 28, and Frenchman Jean-Michel Braquet, 27, were seized when guerrillas ambushed a train in Kampot province July 26, killing 13 people.

General Nuon Pet, the Khmer Rouge commander in charge of the hostages, escaped through government lines Wednesday, reportedly in one of a small group of guerrillas in civilian dress who slipped across Route 3.

Some sources said the hostages had left at the same time and in the same way, others said they had been executed

by the Khmer Rouge in late September, while still others said they were killed in government shelling.

Information Minister Ieng Muli said troops were continuing to comb the Phnum Voar (Vine Mountain) area of Kampot province where the three were held and had expanded operations to the north and west to check reports the hostages had been sighted.

Prince Ranariddh said he was "exasperated" by diplomats and journalists who chose to believe sources other than the government in Phnom Penh, and he challenged them to share their information with Phnom Penh "so that we can use it together."

Based on intercepted messages from shadowy Khmer Rouge leader Pol Pot to General Pet, Prince Ranariddh said the guerrillas' interest was to keep the hostages alive, and he personally believed they had been removed from the Phnum Voar area some time earlier. But he cautioned against expecting an early conclusion to the affair. If the hostages had indeed been moved elsewhere, it would be "very difficult" to locate them, he said.

Prince Ranariddh said "three or four" Cambodian passengers from the train were believed still held, but he held out little hope for three Vietnamese taken hostage at the same time.

In southern Cambodia, the government generals who had passed on to reporters and diplomats information from Khmer Rouge defectors that the hostages were dead appeared to have been effectively muzzled Friday.

Government officers would speak only off the record, and then repeated the official government position.

Reporters just back from the area said Phnum Voar was fully under government control, and the scene was quiet, with no graves located around Pet's house.

The defense ministry statement said "many civilians" living in the vicinity had reported to military authorities that they had seen the three foreign hostages on the move around October 3.

Defense ministry officials, asked to give details of the sightings or explain why the information surfaced only Friday, said they had nothing to add to the statement. There were similar reported sightings of an Australian woman and two British men kidnapped in southern Cambodia in April, but when their remains were found authorities concluded they had been murdered shortly after their disappearance.

Pet had demanded a ransom of 150,000 dollars in gold for the three Westerners, but the Khmer Rouge leadership intervened to insist instead that Phnom Penh lift its ban on the guerrilla group and that Western powers refrain from giving military aid to the government.

A young American volunteer worker, Melissa Himes, was held by Pet's men for 42 days from March 31 and released in exchange for a ransom.



### **KR Radio on Gareth Evans' Comments on Hostages**

*BK2910102394 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 28 Oct 94*

[“Station editorial”: “Arch-Assassin Gareth Evans, Who Is Colluding With Communist Vietnam To Exterminate the Cambodian Race, Has No Right Whatsoever To Hurl Accusations Against the Cambodian People”]

[FBIS Translated Text] The following is the content of a letter written by the people in Kampot Province in angry response to arch-assassin Gareth Evans, the murderer of Cambodians.

1. On 26 October, Australian Foreign Minister Gareth Evans hurled various accusations against the Cambodian people over the three missing foreigners.

2. As far as this issue is concerned, the people in Kampot have done their best to benefit the Cambodian people, the three foreigners, and peace and stability. The gestures and efforts wholeheartedly displayed by the Kampot people have been widely recognized as being done in love for the sake of peace and with a sincere willingness to solve the problem; however, they have been categorically rejected by the villainous alliance and desperado Gareth Evans. The alliance has instead colluded with communist Vietnam and its puppets to launch repeated fascist invasions to systematically massacre the people and burn down their houses.

3. The crime committed by Gareth Evans against the Cambodian people and race is enormous and beyond words. He spearheaded the trampling upon and destruction of the Paris accord; he strove to keep communist Vietnam from vacating Cambodia; he has been in opposition to national reconciliation; he has colluded with communist Vietnam to destroy national reconciliation and peace; and he has painstakingly continued to fan the flames of the communist Vietnamese war in Cambodia for the purpose of exterminating the Cambodian race. Gareth Evans has looked down on Cambodians and regarded them as garbage. He has been busy lending a hand to communist Vietnam; he has used all means to defend the 4 million Vietnamese and allow them to flow in to exterminate the Cambodian race.

That communist Vietnam and its puppets have arrested and massacred the Cambodian people, liquidated and swept away politicians, dissolved FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia], and committed all manner of fascist acts at will is because of arch-criminal Gareth Evans; that Communist Vietnam and the traitorous two-headed government continue to fuel the war to burn down Cambodia, causing our nation and hundreds of thousands or millions of our people to forever suffer, die, and become disabled and separated is because of warmonger Gareth Evans; and that the Cambodian nation and race have fallen deeper into the

stomach of communist Vietnam is also because of the inhumane, arch-criminal Gareth Evans.

Gareth Evans' crime against the Cambodian nation, people, and race is enormous. His hands, mouth, and fangs are all stained with the fresh blood of the Cambodians, who have haunted him constantly. Even though he is only on the horizon, he can never shirk his responsibility for the Cambodian problem. Being an arch-criminal with a massive debt of blood owed to the Cambodian people, Gareth Evans has no right whatsoever to hurl this or that accusation against the Cambodian people. It is the warmongers, including communist Vietnam, the villainous alliance, the communist Vietnamese puppets, and Gareth Evans, who are totally responsible for the consequences of their policy of furthering war, destroying national reconciliation and peace, and exterminating the Cambodian race. They have been judged by the Cambodian and peace-and justice loving peoples worldwide as arch-criminals who are doing away with the Cambodian race. They should be held accountable to the Cambodian nation, people, and history; to the Australian, British, and French peoples; and to the whole world.

### **Commentary Hails Agreement on U.S. Economic Aid**

*BK3010095794 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 28 Oct 94*

[Political commentary: “An Agreement Crowned With Optimism for Promoting the National Economy”]

[FBIS Translated Text] An agreement on U.S. economic and technical assistance to Cambodia was signed at the Ministry of Foreign Affairs and International Cooperation on 25 October. Within the framework of the accord, the United States will provide economic and technical assistance to Cambodia at the request of the Cambodian Government. This agreement will override the old agreement on economic assistance concluded by the two countries in Phnom Penh in 1971. Both Royal Government and senior national and international personalities attending the signing ceremony expressed their firm belief that the agreement will contribute to promoting Cambodia's socioeconomic development.

It is worth recalling that the United States has so far given about \$164 million in humanitarian aid to Cambodia through various nongovernmental organizations operating in the country. The aid is destined for rural development in Cambodia. Moreover, the United States will also provide another \$37 million for economic and technical development in Cambodia in 1995 if the aid proposal is approved by the U.S. Congress.

The U.S. Agency for International Development plans to provide assistance to a number of projects, namely road construction, rural development, public health development, democracy promotion, and legal reform. It will also give assistance in implementing the macroeconomic policy.



The agreement represents a great source of energetic encouragement to the Royal Government and the Cambodian people who are currently striving with all the national potential to develop the country, enabling it to catch up with diverse civilized countries worldwide.

### **U.S., France, Australia Warned To End 'Aggression'**

*BK3010161794 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 30 Oct 94*

[Statement issued by the National Army of Democratic Kampuchea on 30 October—place not given]

[FBIS Translated Text] The National Army of Democratic Kampuchea [NADK] wishes to recall for the attention of the national and international communities the situation concerning the war waged hitherto by Communist Vietnam once again.

I. The Communist Hanoi Vietnamese aggressors sent hundreds of thousands of troops and nearly one hundred thousand administrators to invade and occupy the independent, peaceful, neutral, and nonaligned Cambodia at the end of 1978. The war waged by the Communist Vietnamese aggressors wreaked indiscriminate havoc upon the Cambodian nation and people, unprecedented in Cambodia's history.

II. Communist Vietnam installed its puppet regime in Cambodia as a smokescreen for deceiving and concealing the true appearance of the Communist Vietnamese aggressors, who were annexing and nipping at Cambodia. They organized a group of traitors (?picked up from the Cambodian society's rubbish bin) as Cambodia's so-called leaders who were controlled by hundreds of thousands of Communist Vietnamese forces and nearly one hundred thousand Communist Vietnamese administrators as their masters.

III. The [Paris] October 1991 accord, one of the major accords of the international community and United Nations, came into existence. The accord clearly stipulates that:

A. There should be control over the withdrawal of the Vietnamese aggressor forces from Cambodia and their return should be absolutely prohibited. However, UNTAC [UN Transitional Authority in Cambodia], the [Western] alliance, and Communist Vietnam trampled on the Paris accord. They declared that there were no Vietnamese in Cambodia while at the same time continuing to maintain the Vietnamese forces in the country.

B. There should be four parties of national reconciliation within the quadripartite Supreme National Council [SNC]. However, UNTAC, the alliance, and Communist Vietnam opposed the SNC and the four parties. They eliminated Democratic Kampuchea [DK] (?to preserve only) two parties.

C. There should be free and democratic elections within a neutral political environment. Unfortunately, UNTAC, the alliance, and Communist Vietnam preserved the Communist Vietnamese puppet regime completely from top to bottom everywhere, including Phnom Penh and the provinces. As such, UNTAC's elections were monopolistic, fascist, and despotic polls completely organized by UNTAC, Communist Vietnam, and the alliance to liquidate the four parties and Democratic Kampuchea for the purpose of combining only two parties.

These facts have been the cause of the continuation of the Communist Vietnamese war thus far.

IV. After the formation of the two-headed regime, UNTAC, the alliance, and Communist Vietnam continued to join forces:

A. To fan the flames of war of the Communist Vietnamese aggressors endlessly;

B. To strive to oppose and liquidate Democratic Kampuchea, which is a force which loves a decorous nation and people, which truly represents the interests of the nation and people, which refuses to serve as an out-and-out lackey of Communist Vietnam and all foreigners, and which represents national independence, peace, and national unity of Cambodia.

V. While Communist Vietnam's war continues to flame, the Western alliance and the United States, France, and Australia have painstakingly rushed in to join the Communist Vietnamese aggressors in ordering the Communist Vietnamese puppet regime and the two-headed government to continue to inflame the Communist Vietnamese war of aggression to date. This has caused the entire Cambodian nation and people to continue to be victimized and to suffer from disaster endlessly.

VI. At present, the Western alliance, with the United States, France, and Australia as ringleaders, has overtly and covertly colluded with Communist Vietnam to kindle the war in Cambodia by sending troops, Army experts and advisers, aid, and all kinds of war materiel, including dollars, to launch a military campaign and fuel war to massacre the nation and people and oppose Democratic Kampuchea further in the most arrogant manner, without hesitating and respecting the Paris accord, the UN Charter, and international law. They continue to do away with the Cambodian nation and people in the most inhuman manner, and they have gone so far as to assist Communist Vietnam in nipping at and exterminating the Cambodian nation and people as Vietnam did to Kampuchea Kraom.

VII. In view of the actions by Communist Vietnam, the Communist Vietnamese puppets, and the Western alliance, with the United States, France, and Australia as desperadoes, the NADK wishes to declare officially and solemnly that all the aggressors and destroyers of the



Cambodian nation and people should shoulder responsibility for all consequences, meaning as aggressors wreaking havoc upon the Cambodian nation and people and exterminating the Cambodian race, they should personally, totally, and completely assume all responsibility.

VIII. Therefore, the Cambodian nation and people and the NADK—the victims of the Communist Vietnamese aggressors, the Communist Vietnamese puppets, and the alliance, with the United States, France, and Australia as desperadoes—wish to declare officially and solemnly that they reserve their right of self-defense, no matter what. They also reserve the right to retaliation at all costs against those aggressors and exterminators of the Cambodian race, preventing them from doing away with the nation and people and exterminating the Cambodian race.

IX. The Cambodian nation and people wish to appeal to the peace-loving people of the United States, France, and Australia to join forces actively to prevent their governments from sending their sons or daughters and relatives to take part in a war that is aimed at destroying the Cambodian nation and people. This will allow Cambodia to recover peace and also to protect the U.S., French, and Australian peoples from being killed, wounded, and disabled and from missing in the flames of Communist Vietnam's war in Cambodia.

30 October 1994

The National Army of Democratic Kampuchea

#### **Ranariddh Says KR Policy Program Unacceptable**

*BK2910131394 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 28 Oct 94*

[Speech by First Prime Minister Prince Norodom Ranariddh in Sithor Kandal District in Prey Veng Province on 28 October—recorded]

[FBIS Translated Excerpt] I am now talking about the issue of national reconciliation. The Khmer Rouge [KR] is currently saying that to achieve national reconciliation its minimal policy program should be implemented. The program is outside the framework of the Constitution and National Assembly; that is, to implement the policy, the National Assembly elected by the compatriots has to be dissolved and a new royal government has to be formed with an equal sharing of power. Do you, the voters, agree with this? Do you agree to share power equally with the group which refused to take part in the elections? Did the KR group also participate in the elections? [crowd shouts: "No."] So, is it not possible for us to dissolve the elected assembly? Can we dissolve it? The answer is that we can never do so. Can we share the Assembly seats equally with the group from nowhere? No. It is impossible.

I don't care about being replaced by Pol Pot due to my being accused of selling out the nation. I am ready to

retreat. Do you want Pol Pot to come and replace me? [crowd shouts: "No."] No. But if he wants to come, what can you do? [crowd shouts: "He is not allowed to come."] I don't mind leaving if the people tell me to go away. I agree if the people agree. But the people don't agree. You should speak out clearly whether you agree. [crowd shouts: "No, no."] I know in advance that nobody will agree because there will be a lot of suffering. Is that right?

I would like to tell you something about the situation at Phnum Voar in Kampot Province. The area is one of the Khmer Rouge's strongholds, which was untouchable from the Sangkum Reas Niyum era to the time of UNTAC [UN Transitional Authority in Cambodia] and recent days. However, now the royal government is able to take action against Phnum Voar. We do not need to wage a large-scale war. When I and the royal government said: Please come out to join the nation, stay with the government, serve the king father, and remain under the cool shade of the throne, all of our compatriots came out from Phnum Voar. We did not need to fight; we only conducted very small-scale attacks, resulting in insignificant casualties.

Availing myself of this opportunity, I would like to appeal to some Khmer Rouge elements hiding in this province to come out to stay under the cool shade of our king father's throne, rally to the Khmer Royal Armed Forces, live with the National Police Force, and join the nation. Since we are all Cambodians, why should we continue to fight each other? I think that it is time for us to put an end to the war which has been dragging on for 23 to 24 years.

The compatriots have elected the government, but some people continue to deride it by calling it a two-headed government. In the UN-supervised elections, some members of the FUNCINPEC Party and some members of the Cambodian People's Party were elected. So, after the elections, our king father, desiring to achieve national reconciliation, asked that the two-headed government be formed. Therefore, the two political parties [words indistinct] agreed to set up a government of national union and national reconciliation with myself and Samdech Hun Sen as prime ministers. This was aimed at allowing our nation to live in peace; otherwise endless fighting would have continued. If Cambodians fight each other, who will benefit? Foreigners. Whenever Cambodians fight among themselves, foreigners will certainly benefit. And when fighting erupts, foreigners can go away, but where can we go? I think it is more than enough for us to stop bickering. A radio station—I don't want to name names—has, on a daily basis, insulted and accused the two-headed government of being a lackey. How can the government be a lackey since it was elected by all of you. If the government has to be a lackey, it is only the lackey of the compatriots, no one else. It is all right to say that the previous government was installed by Vietnam; but how about this elected government? Is it a lackey? Actually, our bosses are in front of the podium.



Don't be confused! Our real bosses are here in front of us. So, don't ever say that I am a foreign lackey. If I have to be a lackey, I will be only the lackey of those standing in front of me. I never accept to be a lackey of anyone else. I want to make this clear, once and for all now. [passage omitted]

### **Former FUNCINPEC Members Urged To Fight**

*BK2910120094 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 28 Oct 94*

[“Appeal” to former FUNCINPEC members]

[FBIS Translated Text] Dear former, compatriot FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] members:

I. You are already aware that communist Vietnam, on 20 October, ordered its puppets to sack Sam Rangsi, the deputy chairman of the FUNCINPEC Party; Prince Sirivut, the secretary general of the party; and other FUNCINPEC members, one after the other.

II. This was a kind of coup d'etat staged to expel or abolish the FUNCINPEC Party and do away with the king and Constitution politically and organizationally. This action was aimed at enabling the communist Vietnamese puppets to regroup and strengthen communist Vietnam's administration, thereby exerting a totally monopolistic and despotic control over the National Assembly, the acting head of the state office, the government, the Army, the police, and the administration in provinces, districts, communes, and villages. Now the puppets' muscles depend entirely on the communist Vietnamese forces. The action was a legal coup d'etat staged in the fascist manner of the communist Vietnamese with their deep black teeth.

Actually, it can be seen that:

1. The National Assembly is under the control of Chea Sim, who is also acting as a head of state;
2. The premiership is under Hun Sen;
3. The Defense Ministry is under Tie Banh;
4. The Interior and National Security Ministry is under Sar Kheng; and
5. The puppets have also seized the Ministries of Economy and Finance and Trade.

In sum, communist Vietnam has put the head of state office, the National Assembly, the government, the Army, the police, the economy, financial matters, and everything else under its control. It has left only the empty shell and leftovers for an alliance.

III. Ranariddh, traitor to the nation and FUNCINPEC, has allowed himself to bow and scrape and become an out-and-out puppet of one-eyed Hun Sen and of other communist Vietnamese puppets. Everything is decided by communist Vietnam and its puppets. As for the

FUNCINPEC Party, it has gradually been dissolved by Ranariddh himself and the communist Vietnamese puppets.

IV. The situation has become serious in the extreme and is similar to that in Laos, which has been swallowed by communist Vietnam as a snake gulps down a frog. Anyway, Kings Savangvatthana and Souvannaphouma gritted their teeth and kept quiet about the issue until their deaths. They were different from Ranariddh, who has always repeated what the communist Vietnamese puppets have said and served communist Vietnam's policy completely.

Nevertheless, the situation is that the Cambodian nation is being totally controlled by communist Vietnam and its puppets, and 4 million Vietnamese are in the process of swallowing Cambodia, the Cambodian nation and people, and the king; and most former FUNCINPEC members are absolutely against them. They are shouting that the communist Vietnamese puppets have seized control of all power and that they have to fight for the survival of the nation.

V. In fact, the situation concerning communist Vietnam and its puppets is adverse in the extreme because the nation and people are all opposed to them. As they have expelled FUNCINPEC members in a fascist manner, they are now opposed by the latter. They are thus in bitter isolation.

VI. In view of the situation, we wish to appeal to former FUNCINPEC members at all levels from top to bottom, including those in the Army and the police, to further their fight so as to liberate the nation and people from the iron grip of communist Vietnam. As for the Provisional Government of National Union and National Salvation, it is in full support of the fight carried out by the compatriots, in both Phnom Penh and the provinces.

## **Indonesia**

### **Jakarta Opposes Referendum on E. Timor Status**

*BK3110012594 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 31 Oct 94*

[FBIS Translated Text] The Indonesian Government will not hold a referendum in East Timor as demanded by those opposed to the integration of the territory into Indonesia. The Indonesian Government firmly rejects any demands that differences between the pro- and anti-integration groups be settled by such a referendum. Antonio Freitas Parada, speaker of the East Timor Provincial House of Representatives, said this when he received New Zealand parliamentarians in Dili last Saturday. According to Antonio Freitas Parada, such a referendum will amount to turning back the clock and requiring the East Timorese to restart from zero.

The speaker of the East Timor Provincial House of Representatives added that the provincial house has the duty to channel the people's aspirations and wishes to



the government and the obligation to resolve problems facing the people. He told the New Zealand parliamentarians that the East Timor parliamentarians had been directly elected by the local people and were not appointed by the central government in Jakarta.

#### **Timor Commander Views Rebel Strength, Situation**

*BK2910133394 Jakarta ANTARA in Indonesian 1650 GMT 28 Oct 94*

[FBIS Translated Text] Dili, 28 October (ANTARA)—Remnants of the GPK [Security Disturbance Movement] in East Timor now stand at only 187 and they are armed with 100 rifles of various calibers used in the Portuguese colonial era. "The GPK remnants can be found in the Lautem, Baucau, and Viqueque Districts as well as in the triangle area of Ermera, Same, and Ainaro but their number is small," said Colonel (Infantry) Kiki Syahnakri, commander of the 164th Wiradharma Military Resort Command, when he received a courtesy call from Michael Richardson, an INTERNATIONAL HERALD TRIBUNE correspondent in Dili on Friday.

He said that since its integration into the Republic of Indonesia in 1976, East Timor has seen progress in various fields including security and education. The situation in the province is stable and under control. He said that in 1976 there were only three university graduates in the province, but now there are 300 and about 4,000 are now studying for their college degree. The commander admitted that the growing number of graduates also causes growing unemployment, which in turn leads to a growing crime rate, even though it is still relatively low.

He said there are seven Army battalions for territorial operations and one combat battalion in East Timor. Their presence is aimed at enhancing the welfare of the local people.

As for the activities of the GPK remnants, Syahnakri said they tend to commit criminal acts like robbery and theft. The number of GPK members now stands at 187, whereas there were previously 7,000 men with 2,000 rifles. "Since the beginning of 1994, seven GPK members have surrendered or have been captured by the security authorities and they have been treated well," said Kiki Syahnakri.

#### **Navy Says Exercise Unrelated to Islands Dispute**

*BK3010135994 Jakarta ANTARA in Indonesian 0647 GMT 30 Oct 94*

[FBIS Translated Text] Surabaya, 30 Oct (ANTARA)—An Indonesian Navy exercise, code named Armada Jaya XVII 1994 scheduled to be held off South Kalimantan next month, is not connected with the settlement of the disputed Sipadan and Ligitan Islands which Malaysia previously claimed as part of its territory.

Speaking in Surabaya on Sunday, Lieutenant Colonel (Navy) Kusmandar, head of the Eastern Fleet Information Department said: "The exercise is an annual routine exercise and has no connection with the settlement of the disputed Sipadan and Ligitan Islands."

The military exercise, which will be held from November to December, will be held in the sea off South Kalimantan and Asembagus and Situbondo, in East Java. The exercise will involve 40 Indonesian Navy vessels; 10 Navy surveillance aircraft; and 8,662 personnel, 2,300 of whom will come from the marine landing force.

The warships scheduled to participate in the exercise comprise various types, including minesweepers; submarines; and Parchim, Forsch, and Condor class vessels as well as some Navy equipment previously acquired from the former East German Navy.

Kusmandar stressed that the Indonesian Navy military exercise is in line with the concept of maintaining defense and security through the regular military exercise program. The exercise has no connection with the issue of the disputed Sipadan and Ligitan Islands which Malaysia has claimed as part of its territory.

In a separate clarification, First Admiral Rifa Gamhadi, the director of the Armada Jaya XVII 1994, said the exercise was mainly aimed at improving the combat skill and professionalism of Navy personnel in upholding and protecting Indonesia's waters from any internal or external threat.

Touching on the exact location of the military exercise in South Kalimantan and Situbondo, he clarified that in conducting such exercises, the Indonesian Navy constantly seeks new locations previously not utilized for military exercises.

He said: "Only through such a concept will the soldiers of the Indonesian Navy come to be aware of such locations which previously remained unknown to them."

A commando drill will be held to further enhance the marine commando operations program prior to the climax of the military exercise.

#### **Achievements at South China Sea Meeting Lauded**

*BK2910120694 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 29 Oct 94*

[From the "Press Review"]

[FBIS Translated Text] KOMPAS says the fifth informal workshop on the South China Sea has produced meaningful achievements. The daily describes as a step forward the adoption of a proposal to set up a joint secretariat aimed at defusing potential conflicts in the area currently contested by the PRC, Taiwan, Vietnam, the Philippines, and Brunei. Even though Indonesia is not directly involved in the dispute, as an ASEAN member and Southeast Asian nation we have a duty to



maintain regional peace and stability. In this connection, Indonesia's efforts to maintain stability are also in line with the preamble of our 1945 Constitution.

The daily also attaches importance to the remarks by Foreign Minister Ali Alatas who stressed that the workshop is not meant to solve the overlapping claims in the area, but is aimed at exploring the possibility of turning the dispute into peaceful and harmonious cooperation. KOMPAS believes that if the countries concerned can nurture a spirit of cooperation and mutual understanding, a potentially open conflict can be averted.

#### **Daily Discusses APEC Role in 'Democratization'**

*BK3110022294 Jakarta THE INDONESIA TIMES in English 24 Oct 94 p 2*

[Editorial: "APEC Should Be More Effective"]

[FBIS Transcribed Text] APEC [Asia-Pacific Economic Cooperation] should be more effective, so that automatically security problems in the Asia-Pacific region will also be solved.

This hope was expressed by Professor Chung Sin-ahn from the National University in Seoul. This South Korean professor presented his paper at the University of Indonesia in Depok last week, entitled "Economic Growth, Democratization, and Peace: Prescription for the Asia-Pacific Region."

South Korea and Indonesia are expected to get profit from the free trade system which is the target of the Asia-Pacific Economic Cooperation. With the achievement of the free trade system, a more democratic political system will also be achieved in the Asia-Pacific region. That is the hope of the South Korean professor. But to widen the scope and authority of the non-formal economic forum, no member should dominate another member. And all members should also be able to meet the global needs of human beings in the fields of education and environment.

APEC should be able to create substantial international cooperation to promote democracy, economic development, peace, and human rights in Asia. For all these purposes a network inside the APEC itself should be able to monitor the implementation of all the targets regularly.

Still another hope expressed by Prof. Chung is the creation of a more democratic middle class people such as in South Korea after the more economic growth has been achieved.

Indeed, South Korea was a military government, which has become a civilian government which has developed economic and political reforms peacefully. This development will make South Korea more pluralistic.

## **Laos**

### **Minister Views POW Progress With U.S. Commander**

*BK2810165394 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 28 Oct 94*

[FBIS Translated Text] This morning, Somsavat Lengsavat, foreign affairs minister of the Lao People's Democratic Republic [LPDR], received a courtesy call from Admiral Richard Macke, commander of the U.S. Armed Forces in the Asia-Pacific, who is paying a visit to the LPDR from 26 to 28 October. The conversation between the host and the guest proceeded in a good and frank atmosphere during which Foreign Minister Somsavat and Admiral Macke exchanged views on various issues of mutual interest related to relations between Laos and the United States, as well as the situation in Asia.

The Lao foreign minister highly assessed Lao-U.S. bilateral cooperation, especially regarding the humanitarian policy pursued by the LPDR in consistently rendering cooperation to the U.S. in searching for Americans missing during the war in Laos. Admiral Macke took the opportunity to express thanks to the Lao Government and people for cooperating and assisting the U.S. in carrying out activities to search for the remains of the missing Americans at various plane crash sites in the LPDR which have been effectively carried out in the past as well as at present by U.S. and Lao technicians.

During his first visit to the LPDR, Admiral Macke also met with high-level authorities of the government, namely Deputy foreign Affairs Minister Souban Salitthilat; Lieutenant General Ai Souli-gnaseng, deputy minister of national defense and chief of the Army General Political Department; and some Lao technical personnel to discuss Lao-U.S. humanitarian cooperation, including the search for Americans missing in Laos during the war and U.S. assistance to Laos.

Admiral Macke also visited Luang Prabang and Xieng Khouang Provinces to observe the real situation and to witness the joint field operations carried out by Lao and U.S. authorities to search for remains of U.S. soldiers.

### **PRC Party Delegation Arrives for Goodwill Visit**

*BK3110110194 Vientiane KPL in English 0938 GMT 31 Oct 94*

[FBIS Transcribed Text] Vientiane, October 31 (KPL)—A seven-member delegation of cadres of the Communist Party of China (CPC) headed by Li Changchun, a member of the CPC Central Committee and secretary of the CPC Henan provincial committee, arrived here yesterday on a five-day goodwill visit to Laos at the invitation of the Lao People's Revolutionary Party (LPRP CC).

During the visit to Laos, the Chinese delegation is scheduled to call on Lao senior leaders, meet with a



delegation of the LPRP CC, visit the great stupa—That Luang—, Ho Phakeo Museum, the National Ethnic Culture Park and some other places in Vientiane Prefecture.

Apart from Vientiane Prefecture, the visitors will also visit Vientiane Province, 90 km north of the Laotian capital. While there, they will meet with a delegation of the provincial party committee, and visit local economic and cultural establishments.

### **Group of 100 Refugees Repatriated From China**

*BK2710142894 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 27 Oct 94*

[FBIS Translated Text] A report from Luang Namtha Province said that twenty-four families of 100 Lao refugees from China have returned home to Laos. It was the 13th group of Lao refugees repatriated from China since that country and the UN High Commissioner for Refugees began assisting them to return to their native land. A handing-over ceremony of this batch of refugees was held at Boten border checkpoint on 25 October. Most of the refugees were originally from Oudomsai, Luang Prabang, Sayaboury, Savannakhet, and Luang Namtha Provinces, and Vientiane Municipality. So far, 2,738 out of more than 4,200 Lao refugees residing in southern China have returned home.

### **Thai Princess Sirinthon Arrives for Visit**

*BK2910100194 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 28 Oct 94*

[FBIS Translated Text] At 1000 today, Her Royal Highness [HRH] Princess Maha Chakkri Sirinthon of the Kingdom of Thailand arrived in Vientiane via special plane of the Royal Thai Air Force to pay a private visit to the Lao People's Democratic Republic [LPDR] from 28 October to 1 November 1994.

A welcoming ceremony for HRH was held at Wattai Airport in the presence of His Excellency [H.E.] Somsavat Lengsavat, foreign affairs minister; H.E. Bounkeut Sangsomsak, LPDR ambassador extraordinary and plenipotentiary to the Kingdom of Thailand; H.E. Somphan Kokilanon, ambassador extraordinary and plenipotentiary of the Kingdom of Thailand to the LPDR; high-ranking personnel from the Foreign Affairs Ministry; staff members of the Thai Embassy; members of the Thai press corps; and a large number of Thai residents residing in Laos.

Later, the princess visited the National Library. She was welcomed by H.E. Bouason Boupphavan, deputy minister attached to the Office of the Prime Minister; and other high-ranking officials concerned. HRH Princess Maha Chakkri Sirinthon presented gifts to and toured buildings in the library, later returning to the guest house.

### **Princess Meets President**

*BK3010124694 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 29 Oct 94*

[FBIS Translated Text] This morning, His Excellency [H.E.] Nouthak Phoumsavan, president of the Lao People's Democratic Republic [LPDR], received at the Hokham Presidential Palace in Vientiane a courtesy call from Her Royal Highness [HRH] Princess Maha Chakkri Sirinthon of the Kingdom of Thailand. HRH Sirinthon is currently on a private visit to the LPDR from 28 October to 1 November. H.E. President Nouthak expressed a hearty welcome and thanks to HRH the princess on her visit. He noted that this visit as well as past visits on many occasions by HRH the princess have brought about a further strengthening and fruitful development of the time-honored fraternal and neighborly relations of friendship between the peoples of Laos and Thailand. H.E. Nouthak Phoumsavan also conveyed greetings and best wishes to His Majesty King Phumiphon Adunyadet and her majesty the queen as well as all royal family members of the Kingdom of Thailand.

HRH Princess Maha Chakkri Sirinthon, in return, noted with great satisfaction that the Lao-Thai fraternal and neighborly relations of friendship have been increasingly developed with ever firmer steps. This is seen through the expansion of cooperation and mutual assistance in many fields between the two countries, in particular the royally initiated project of HRH the princess at the km marker 67 Cultural Training School in Phonhong District, Vientiane Province; and the cooperation project between His Majesty King Phumiphon Adunyadet of the Kingdom of Thailand and the LPDR Government, namely the Houai Son-Houai Soua Agricultural Development and Service Center at km marker 22 in Nasaitong District, Vientiane Prefecture. This project has achieved steps of development and many tasks have been successfully implemented and effectively put to use.

The meeting and talks between H.E. Nouthak Phoumsavan and HRH Princess Sirinthon lasted 20 minutes. Accompanying HRH the princess to the talks was H.E. Somsavat Lengsavat, foreign affairs minister. H.E. Somphan Kokilanon, ambassador of the Kingdom of Thailand to Laos, and high-ranking officials also attended.

Later, HRH the princess left Vientiane on board a royal plane provided by Lao officials for further visits to Sayaboury Province, the Sianghon-Hongsa Special Zone, and Bokeo Province respectively.

### **Increase in Foreign Loans, Assistance Outlined**

*BK2910132994 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 29 Oct 94*

[FBIS Translated Text] In implementing the open policy of promoting economic cooperation and relations with foreign countries, our government always adheres to the principle of equality and mutual benefit. The broadening



of cooperation in various fields, including agricultural, industrial, and services sectors with many countries has resulted in a marked increase in foreign assistance and loans. Such assistance has been effectively utilized to implement rural development projects and environmental protection measures. In the 1993-94 fiscal year, the volume of assistance and loans increased to U.S. \$217.7 million—U.S. \$141.4 million of which is gratis aid. These assistance packages and loans have been utilized to build the economic infrastructure, such as bridges, roads, and irrigation facilities throughout the country as well as in raising the skills and knowledge of our cadres in managing socioeconomic development and applying scientific and technology advances.

It is expected that in the 1994-95 fiscal year, a total of U.S. \$290 million in foreign currencies will be acquired from other countries. Of this figure, U.S. \$135 million will be in the form of loans—an increase of 37 percent compared to the previous year.

#### **Ministry To Issue Permits for Foreign Workers**

*BK2710111594 Vientiane KPL in English 0921 GMT 27 Oct 94*

[FBIS Transcribed Text] Vientiane, October 27 (KPL)—The Ministry of Labour and Social Welfare, from November 1, 1994, will issue work permits to foreign workers. Each work permit is valid for one year per person, according to the necessity of the work.

Foreign workers who illegally work in the Lao PDR [People's Democratic Republic] or those completing their contracts with projects in the Lao PDR but refusing to return home are considered illegal immigrants.

Legal actions will be taken against employers who employ foreign workers having no work permits and foreign workers who have no work permits from January 1, 1995, or 60 days after the introduction of work permits.

Employers are to report the number, names and nationalities of foreign workers, either permanent or temporary work force, under control to the Labour Department, Ministry of Labour and Social Welfare, in June and December of each year.

### **Philippines**

#### **China Protests Presence at Taiwan Celebrations**

*OW3010114494 Tokyo KYODO in English 1124 GMT 30 Oct 94*

[FBIS Transcribed Text] Manila, Oct. 30 KYODO—China has brought to the attention of the Philippines the presence of ranking government officials at Taiwan's national day rites in Manila earlier this month, a Chinese Embassy spokesman said Sunday [30 October].

Deng Xijun said the embassy made representations with the Department of Foreign Affairs (DFA) about the

attendance of officials, including Justice Secretary Franklin Drilon, Senate President Edgardo Angara and Senator Gloria Macapagal Arroyo, during Taiwan's celebrations in Manila on Oct. 10. The DFA reiterated the government's "one China" policy, which recognizes China as the only China, and the embassy was "satisfied" with the explanation, Deng said.

Beijing considers Taiwan a renegade province and opposes any moves that would accord Taiwan diplomatic recognition.

The Chinese Embassy had protested several times in the past about alleged violations of the China policy, including the supposedly secret meeting earlier this year between President Fidel Ramos and Taiwanese President Li Teng-hui at the former U.S.-run Subic naval base northwest of Manila.

#### **Diplomatic Protest Filed Against Saudi Arabia**

*BK3110104194 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 0930 GMT 31 Oct 94*

[FBIS Translated Text] The Department of Foreign Affairs [DFA] today strongly criticized the manhandling by a Saudi officer of Philippine Consul Anacleto Rey Lacanilao who is covered by diplomatic immunity. According to the DFA, the manhandling cannot be justified. The DFA denied the statement of Jeddah Consul General (Banarin Ginumla) that the report was exaggerated, and said that it has filed a diplomatic protest over the incident.

#### **Communist Chief's 'Belligerency' Criticized**

*BK3110023294 Quezon City MALAYA in English 27 Oct 94 p 4*

[Editorial: "Sison Has Become A Clown"]

[FBIS Transcribed Text] The cat is out of the bag. The National Democratic Front [NDF] has officially admitted it is seeking no less than recognition as a belligerent in peace negotiations with the government.

All that talk about irreconcilable positions on security guarantees during the failed last round of talks in The Netherlands was much smoke. The bottomline was that the NDF wants to be treated as an equal to the Republic of the Philippines. The government panel rightly rejected the preposterous demand.

During the last negotiations, the government offered to provide safe conduct passes to NDF peace representatives. Just like the last time negotiations were held in 1986. The NDF also offered to provide safety guarantees to government negotiators. Or to simplify things, safe conduct passes be issued jointly in the NDF and the government's name.

The government's position was that it needs no safety guarantees; neither does it need NDF leave to carry out its business. The NDF insisted. The government panel



held its ground. NDF negotiator Luis Jalandoni declared the talks collapsed. And that was it.

The government since then has been saying that it hopes the NDF would go back to the negotiating table. But the same ground rules apply: the government exercises sovereignty over the land, no pretenders allowed.

For his part, Jose Maria Sison, the communist party's paramount leader, has been bombarding the local media practically every other day with his disquisitions on why the NDF deserves recognition, under international law, as the equal of the Republic. He claimed this equality was recognized in the framework for negotiations hammered out during the exploratory talks.

That's nonsense, of course. The framework for negotiations does not provide for belligerency status. But Sison would not be bothered by the text of framework.

His latest thesis, faxed straight from The Netherlands the other day, is that one can somehow crown oneself with the status of belligerency.

"The Philippine revolutionary forces have acquired their status of belligerency by dint of revolutionary struggle and strength. This status is not something bestowed by the opposing side," the statement said.

The NDF would not accept recognition as an insurgent force, the statement stressed.

Well, that is as clear as it can be. From a high of 25,000 fighters in 1986, the rebel force now counts about 7,000 fighters. This decline in the fortunes of the insurgency has, in the mind of Sison, been accompanied by a dramatic rise in the political stature of the communist movement—from the status of insurgent force to that of a belligerent.

With this kind of logic, what happens when the remaining rebels in the field dwindle to a few hundreds and are reduced to, banditry? Sison will claim victory and declare a People's Democratic Republic of the Philippines?

Stranger things have happened than a one-time revolutionary turning into a clown.

## Thailand

### U.S. Seeks Approval for Floating Arms Stockpile

BK3010095394 Bangkok MATICHON in Thai 30 Oct 94 pp 1, 6

[FBIS Translated Text] According to a report from the Defense Ministry, the U.S. Department of Defense recently sent a note to the Thai Government to discuss its request to set up an arms stockpile in the Gulf of Thailand. The government has forwarded the issue to the Defense Ministry for consideration and for opinions of Armed Forces commanders and the supreme commander.

According to the report, the U.S. stockpile concept calls for ships carrying arms to be stationed in the gulf. The ships will be under the maintenance and supervision of the Thai Armed Forces. U.S. personnel will be available in case an armed dispute in this region or an incident in the Middle East arises. This will facilitate maintenance of regional security and also serve an economical purpose because it is more costly to move troops and arms at the same time. Thailand has been chosen as the site of the floating arms stockpile due to its strategic suitability.

The report notes that the United States also made inquiries with Indonesia and the Philippines about the concept.

Asked by a journalist about the project, former Military Chief of Staff General Charun Phunsanong said that during his tenure the matter was sent to the Armed Forces for consideration and their replies were to be sent to the supreme commander. He does not know the current status of the subject.

Defense Minister Gen. Wichit Sukmak has declined to comment on the subject, saying it is a security topic which he cannot discuss.

Lieutenant General Chokchai Hongthong, assistant Army chief of staff for operations, said no decisions have been made on this issue as it is in the very early stages, and that the Defense Ministry is currently better informed on the status.

The United States has approached Thailand several times previously about locating its bases here after the Vietnam war, when it was permitted to use bases such as the U-Taphao and Udon Air Bases. During the government of Gen. Prem Tinsulanon a memorandum on Thai-U.S. logistical cooperation was signed in 1981. The United States also approached the Thai Government under Gen. Chatchai Chunchawan, but was rejected due to opposition by certain Thai groups. U.S. planes made refueling stops at U-Taphao during the Persian Gulf crisis, but the Thai Government denied the reports when news about the refueling surfaced.

### Minister Comments on U.S. Request

BK3110043694 Bangkok THE NATION in English 31 Oct 94 p A4

[FBIS Transcribed Text] Thailand must first consult with neighbouring countries before deciding on the United States' request to establish an arsenal in the Gulf of Thailand, Interior Minister Chawalit Yongchaiyut said.

"The matter should be discussed with neighbouring countries to avoid misunderstanding," said the former Army commander in chief and supreme commander of the armed forces.

The Defence Ministry and the National Security Council will handle this issue he said, stressing that it should



receive careful attention as a US arsenal on Thai territory could affect neighbouring countries.

According to a press report, a source in the Defence Ministry said the US Defence Department recently asked for the Thai government's permission to establish a US arms depot in the Gulf of Thailand. The government has forwarded the matter to the Defence Ministry and armed forces for consideration.

The source said if the United States were granted its request, arms would be stored on a carrier in the Gulf to maintain security in the region, thereby saving on the cost of sending troops and weapons during a time of emergency.

US authorities are also seeking to establish an arsenal in Thailand's neighbouring countries, like the Philippines and Indonesia, the report said.

Defence Minister Wichit Sukmak on Saturday declined to comment on the US request.

After the Vietnam war, US authorities have repeatedly requested permission to establish its arsenal in Thailand but this has been opposed by several political and social groups. One of two Knox class frigates purchased by the Navy from the United States is due to arrive at Sattahip district in Chon Buri province today.

A naval source said the Navy will hold a handing-over ceremony for the 400-tonne vessel tomorrow at Chuk Samet Port in the district.

"The ship will be named Rua Phra Phutthayotfachulalong," the source said.

The Navy will use the new frigate to improve security in Thai territorial waters. The Navy has six other frigates purchased from China.

### Country Insists on APEC Free Trade by 2010

BK2910105494 Bangkok BANGKOK POST in English  
29 Oct 94 p 8

[Report by Somphon Thapanachai]

[FBIS Transcribed Text] Thailand is to agree to the establishment of free trade among Asia Pacific Economic Cooperation (APEC) member countries in the year 2010 and rejects any further shortening of the timeframe. The proposal was adopted yesterday at a meeting of the International Economic Policy Committee chaired by Deputy Prime Minister Suphachai Phanitchaphak.

Prime Minister Chuan Likhai will hold a meeting Monday in preparation for the APEC leaders meeting scheduled for November 15 in Bogor, Indonesia. A group of APEC eminent persons earlier proposed introducing free trade among APEC countries by 2020, but Indonesian President Suharto, who received the proposal from the eminent persons group, suggested the

timeframe be brought forward to 2010. The group proposed that the liberalisation of trade in goods and services within the group begin in 2000 with developed members having to introduce free trade in 2010, new industrialised countries in 2015 and developing countries in 2020.

Mr Suphachai said Thailand agreed in principle to adopt free trade in the future but wanted to take note that the agreed timeframe not be subject to any more negotiation.

"If the leaders agreed on the year 2010, it must be 2010. If it is agreed the year 2015, it must be 2015," he said. He said other ASEAN countries had a similar position on trade liberalisation within APEC.

Thailand wants the opening of free trade among the APEC group to conform with General Agreement on Tariffs and Trade (GATT) rules. Therefore, the opening market for the service sector must not coincide with the free trade of industrial and agricultural goods.

Mr Suphachai said the APEC group would be the prime mover in opening a new round of multilateral trade negotiations under the World Trade Organisation (WTO).

The United States wants new negotiations on agricultural goods next June. Thailand wants APEC to agree on the general idea that a specific timeframe must be non-binding for countries which cannot fully implement a free trade programme in the time given. Thailand wants senior APEC officials between 1995 and 2000 to outline details of the programme on tariff reduction that will be implemented on a voluntary basis. The programme should be similar to the one implemented for the ASEAN Free Trade Area (AFTA).

Mr Suphachai said the eminent persons group proposed trade liberalisation on the "open regionalism" principle so individual members can extend benefits to non-members on a conditional basis.

He said the Most Favored Nation (MFN) treatment should not be implemented conditionally so if one country extends tariff reductions to one country, this should be applied to the rest of the world.

Regarding the eminent persons' proposal on trade facilitation, Thailand had the following comments:

- APEC member should accelerate the harmonisation of product standards and testing procedures because it will help reduce trade barriers among the group.
- The APEC dispute mediation service must act as a compromising mechanism implemented on a voluntary basis
- Cooperation on financial and macro-economic issues should only be at the stage of information exchange, not on policy coordination because the 17 members of



APEC still have different levels of development so policy implementation will be impossible.

Mr Suphachai said even the seven industrialised countries (G7) still faced difficulties on macro-economic policy coordination.

—Cooperation on environmental issues should focus on technical exchange aims to promote development of the environment in each APEC member.

Mr Suphachai said Thailand could not accept the APEC Concord on Investment Principle proposed by the eminent persons group because it wanted it to be non-binding.

The committee feels the investment condition known as "performance requirements" created to protect infant industries should not be fully abolished.

Thailand wants APEC to implement the performance requirements agreed under the Trade Related to Investment Measures (TRIMs) of the GATT negotiations which allow export requirements to be phased out within eight years and local content requirements within five years.

#### **'Source' Says No Time Frame Specified**

BK2910092894 Bangkok BANGKOK POST in English  
29 Oct 94 p 26

[FBIS Transcribed Text] Thailand agrees in principal to accept the Asia-Pacific Economic Cooperation [APEC] group's trade liberalisation without specifying a time frame, according to a Finance Ministry source. The source, who declined to be named, said the Eminent Persons Group (EPG) earlier proposed that APEC should establish a free trade area by the year 2020. However, it is worried that developed countries will quickly penetrate and dominate the free trade area.

He said Thailand had to secure its position in developing itself into a regional financial hub. Early liberalisation of trade, services and investment would be harmful rather than beneficial for the country.

The source said Thailand's APEC committee suggested softening terms in the EPG report. For example, the word "endorse" has been changed to "welcome" and "investment concord", together with "investment code", have been altered to "investment principle".

The "investment principle" is to cut trade barriers imposed by Importing nations. Some countries have set unusually high standards to block imports.

Thailand will allow APEC members to have equal access and similar rights to Thais when investing in Thailand. However, it reserves privileges for certain countries such as the United States under the Treaty of Amity and Economic Relations.

Other issues included double taxation, the source said. Since the agreement on liberalisation was non-binding, implementation would be gradual.

#### **Coup Suspects Arrive From Cambodia 28 Oct**

BK2810141994 Bangkok Thai Color Television  
Channel 9 in Thai 1200 GMT 28 Oct 94

[FBIS Translated Excerpt] Finally, the nine Thais detained in Cambodia have been given freedom by a Cambodian court and have returned to Thailand. [passage omitted on correspondent's report about proceedings at the Cambodian military tribunal]

A few hours after they were accorded freedom by the Cambodian court, the nine Thais boarded a plane from Cambodia for Thailand and arrived at Don Muang Airport about an hour ago to a cheering crowd.

The Thai Government welcomed the news on the release of the detainees. Deputy Foreign Minister Surin Phitsuan said their freedom was made possible by the kindness of Cambodia's King Norodom Sihanouk who had made an appeal for the sake of relations between the two countries. The Thai prime minister, he said, had sent a message to the king thanking him and also wishing him happiness on the occasion of his birthday on Monday. The deputy foreign minister said that the incident served as a good lesson for Thailand and from now on we must carefully screen and monitor Thai citizens who seek jobs or are engaged in business in foreign countries.

[Begin Surin recording, in progress] ...in Bangkok through their embassies. I believe that there will be no problem regarding big companies, those with acceptable standards. However, we must screen groups of people, the number of individuals who leave empty-handed to dig gold in other countries. We must check brokers in such businesses. Besides, I would like to remind those people to think about national honor, national image, and the feeling of the entire Thai people. Our neighbors understand the situation and they are already trying to prevent such practices. We ourselves must also try to warn our own people and prevent them from doing such things. [end recording]

#### **Chuan Admits Thai Role in Failed Cambodian Coup**

BK3110041694 Bangkok BANGKOK POST in English  
31 Oct 94 pp 1, 3

[FBIS Transcribed Text] Prime Minister Chuan Likphai says he believes the Thai private sector was involved in the July coup attempt against the Phnom Penh government. But he emphasised yesterday that no Thai government officials were involved in attempt.

In Trang province, where he attended a religious ceremony, Mr Chuan said he could not give an assurance as far as Thai private citizens were concerned.



"I do personally believe that the Thai private sector was really involved," Mr Chuan aid.

The Cambodian military court on Friday handed down suspended jail terms ranging from two to five years on nine Thai citizens on charges of conspiracy to overthrow the government, illegal possession of firearms and "betrayal of the revolution".

A fact-finding committee headed by Defence permanent secretary Prasoet Sararit has been formed to investigate allegations that Thai state officials may be involved.

Meanwhile, Interior Minister Chawalit Yongchaiyut said yesterday former Phichit MP Adun Bunset may be questioned about his alleged involvement in the abortive coup. Gen Chawalit said he wanted to hear an explanation from Pol Lt-Col Adun since he was among those accused of having a part in the coup plot. Pol Lt-Col Adun spent a lot of money trying to start businesses in Cambodia and Gen Chawalit said he was unhappy to hear the persistent allegation against his party's member. The former adviser to Gen Chawalit was in Phnom Penh when Cambodian soldiers arrested the 14 Thais at Phnom Penh airport while they were about to return home.

Pol Lt-Col Adun was scheduled to return home on the same flight as the 14 but managed to evade arrest and sneaked out of Cambodia. He said he planned to join the nine Thais set free by Cambodia in addressing a press conference to state his innocence.

One of the nine Thais, Phongsak Phuklakhaeng, said the conference was expected to be held some time after today, the birthday of King Norodom Sihanouk, to "explain all" about his group's alleged involvement in the coup bid.

#### **Government Urged To Clear 'Doubts' About Coup**

*BK3010114994 Bangkok THE SUNDAY NATION in English 30 Oct 94 p A4*

[Editorial: "Cambodian Coup Saga Has Yet To Run Its Course"]

[FBIS Transcribed Text] The last nine Thai men detained in Phnom Penh in the wake of the July 2 coup attempt returned to Bangkok on Friday to something akin to a heroes' welcome. Awaiting them at the airport were political bigwigs, diplomats, and hordes of reporters.

Government officials hailed their release and the Labour Ministry promised to find them work. For the men, who only hours before had been found guilty of taking part in a violent attempt to overthrow the elected government of a neighbouring country, it marked a happy end to their Cambodian odyssey. For Bangkok though, the story appears far from over and as things stand now it is hard to see how the saga can be resolved without serious damage to Thailand's reputation.

From almost Day One of the coup aftermath, Phnom Penh has stressed that the Thai government was not involved in the affair. It has, however, sought the government's help in questioning several Thai businessmen and military officers it suspects of being a party to the coup bid. Thailand's initial reaction was furious indignation that any Thais were involved in any capacity. It has since mellowed its stand and attempted to find a solution that would help smooth over the problem.

The court proceedings involving the Thais were widely regarded as a show trial, the purpose being not so much to see that justice or truth were served but rather to get Thai-Cambodian relations back on a more friendly track.

As part of this process army chief Gen Wimon Wongwanit made the rather extraordinary announcement two weeks ago that several Thai military officers were to be punished for being in Cambodia on private business at the time of the coup. The announcement was tantamount to defacto recognition that Thai soldiers were involved in the coup bid although not as part of any army-sanctioned exercise.

For its part, Cambodia seems intent to put the affair behind it for the sake of better relations with Thailand.

The Thai defendants all denied involvement in the coup bid during the short trial but it would appear Cambodia has a substantial amount of evidence to suggest the contrary should it want to embarrass Thailand.

Among their key witnesses is General Chay Sangyun, who said he tipped off the government about the coup after he was approached by the plotters.

He told the court he had learned that Thai "special forces" had been tapped to disable power and telephone supplies as the coup bid started.

His story is corroborated by confessions Cambodian investigators said they extracted from the Thai detainees.

What happens now will likely depend on the domestic political situation in Thailand.

Prime Minister Chuan Likphai has refused to say what he would do with a commission recently set up to investigate the allegations of Thai involvement in the coup.

Among the most sensational of allegations is that foreign minister-designate Thaksin Chinnawat, whose telecommunications company had a lucrative television concession in Cambodia slashed by the new government, was a supporter of the coup plotters.

Despite his strenuous denial's, a cloud continues to hang over Thaksin. It is one Chuan needs to take action to remove. Chuan would no doubt like to let the entire affair blow over. But until all the doubts are cleared Thaksin will be unable to function effectively as a foreign



minister. It is unlikely he will be able to establish any kind of genuine rapport with his regional counterparts while dogged by suspicions he is a coup plotter.

#### **Editorials Comment on Recent Cabinet Reshuffle**

*BK2910122394*

[FBIS Editorial Report] Two Bangkok vernacular dailies—THAI RAT and SIAM POST—on 29 October carry editorials commenting on the controversial reshuffle of Cabinet members in the Phalang Tham and New Aspiration Parties.

THAI RAT's 300-word editorial, on page 3, entitled "Tough Jobs Ahead," says: "First of all, we wish to extend our congratulations to the newly appointed ministers, for they have been entrusted with significant positions in the administration of the country. It is to be hoped that the new Cabinet line-up will bring about a more rapid performance of duties on the part of the government; at the same time, the ministries with new ministers, whose competence is recognized both inside and outside the country, are expected to register more new achievements."

The editorial stresses that all newly appointed ministers are equally important, adding that: "However, the posts of the foreign minister and communications minister should be considered as critical at this present juncture. Everybody knows that the infamous traffic congestion in Bangkok has driven away many big foreign investment projects in the past few years. The Southeast Asian branch offices of many multinational companies and international organizations are not located in Bangkok because of the traffic problem.

"As for foreign relations, we must admit that even our own neighbors do not trust us because our Thai entrepreneurs have obviously been exploiting them. If they are given choices they will choose other countries to trade with. Therefore, the foreign minister must do his best to tackle this problem. Moreover, the major powers are still thinking that we support the Khmer Rouge.

"Although it is the duty of the government to salvage the country's good reputation, in this case, the foreign and communications ministers are directly responsible for the task. At least, they should make other countries trust us."

SIAM POST's 350-word editorial, on page 4, entitled "Self-Destruction," says: "It is noticeable that the internal rift within the Phalang Tham Party has not yet come to an end following the royal appointment of the new 14 cabinet members."

The editorial quotes reports on the strong objection to the appointment of telecommunications tycoon Police Lieutenant Colonel Thaksin Chinnawat as the new foreign minister and stresses: "It is suggested that former Foreign Minister Prasong Sunsiri and other people stop their activities against the decision of Phalang Tham

Party leader Major General Chamlong Simuang to invite outsiders such as Pol. Lt. Col. Thaksin Chinnawat to join the Cabinet. The new ministers should be given some time to carry out their duties before any criticism is made."

The editorial notes: "Although Pol. Lt. Col. Thaksin Chinnawat is a capable person, who has amassed a fortune, he still lacks political readiness. This is why his appointment has been opposed by the majority of Phalang Tham MP's. It is believed that offensive maneuvers will linger on.

"M.R. Sukhumphan Boriphat, a well-known academic, once said that the government would not last more than six months after the reshuffle because it will encounter the problem of cooperation with the Phalang Tham Party. Phalang Tham Party leader Maj Gen Chamlong Simuang will never listen to anyone."

In conclusion, the editorial says: "The internal rift within the Phalang Tham Party will probably have a negative impact on the government's stability."

#### **Vietnam**

##### **PRC President Jiang Zemin To Visit 19-22 Nov**

*BK2810144394 Hanoi VNA in English 1410 GMT  
28 Oct 94*

[FBIS Transcribed Text] Hanoi VNA Oct 28—The general secretary of the Communist Party of China Central Committee and president of the People's Republic of China, Mr Jiang Zemin, will pay an official friendship visit to Vietnam from Nov. 19-22.

The Foreign Ministry's communique released today adds that the visit will be made at the invitation of the General Secretary of the Communist Party of Vietnam Central Committee Do Muoi, and state President Le Duc Anh.

##### **Prime Minister Meets Germany's Siemens Chairman**

*BK2810145194 Hanoi VNA in English 1414 GMT  
28 Oct 94*

[FBIS Transcribed Text] Hanoi VNA Oct 28—Prime Minister Vo Van Kiet received here today Mr Heinrich Von Pierer, chairman of Siemens Group of Germany and president of the Asian-Pacific Committee of the German Economic Organization, who arrived here yesterday for a working visit to Vietnam.

During the reception, Prime Minister Kiet highlighted the development of cooperation between Vietnam and Siemens, and noted that this cooperation would encourage other German companies to broaden cooperation with Vietnam. He spoke highly of the achievements and experience of Siemens and wished them the mutual beneficial cooperation between Vietnam and Siemens would be further developed in conformity with



both sides' interests. Mr Heinrich Von Pierer and his party had working sessions with General Director of the General Department of Posts and Telecommunications Dang Van Than and Minister of Energy Thai Phung Ne on possibilities for cooperation in telecommunications and energy between their group and the said Vietnamese branches, the two sides agreed to continue developing cooperation in communications equipment production and supply. They also discussed directions and measures to increase investment in energy.

Mr. Pierer said that Siemens with its potential and experience hoped to contribute to rebuilding Vietnam through its effective cooperation. He expressed his wish to invest more in upgrading Vietnam's existing power plants and building new [word indistinct] with up-to-date technologies.

#### **Vo Van Kiet Receives Indian Communist Leader**

*BK2910161394 Hanoi VNA in English 1501 GMT  
29 Oct 94*

[FBIS Transcribed Text] Hanoi VNA Oct. 29—Prime Minister Vo Van Kiet cordially received here this afternoon the general secretary of the Communist Party (Marxist) of India, [ICP(M)] Mr. Harkishan Singh Surjeet, on a visit to Vietnam.

At the reception, the prime minister welcomed the ICP(M) general secretary's visit and said that now as well as in the future no difficulties and hindrances could shake the fine sentiments of Vietnamese party, government [words indistinct] toward the Indian people.

The prime minister highly appreciated the Indian Government and the ICP(M)'s attention to the further promotion of the relations between the two countries. He affirmed that the Vietnamese Government would best implement the agreements reached during the Indian prime minister's recent visit to Vietnam.

For his part, General Secretary Surjeet stressed that the ICP(M) would do its best to contribute to the consolidation and promotion of the traditional friendship and cooperation between the two parties and two countries for the prosperity of the Vietnamese and Indian people, and for peace, stability, cooperation and development in the region and the world over.

#### **Foreign Minister Interviewed on UN Activities**

*BK3110111194 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 30 Oct 94*

[Interview with Foreign Minister Nguyen Manh Cam by an unidentified station correspondent upon the former's return to Vietnam from the 49th UN General Assembly meeting; place and date not given—recorded]

[FBIS Translated Text] [Correspondent] Mr. Minister, could you talk about the activities of the Vietnamese delegation at the 49th UN General Assembly [UNGA] meeting; the significance of the many meetings and

contacts made by the delegation with U.S. political circles, mass organizations, and businessmen for the future of Vietnamese-U.S. relations; and Vietnam's position in the world arena.

[Nguyen Manh Cam] While I was away attending the UNGA, I met with various U.S. circles, ranging from politicians to businessmen and scholars. More especially, I met with members of the U.S. House of Representatives, U.S. strategic studies organizations, scholars, businessmen, and various agencies in the educational sector. Generally speaking, at these meetings our discussions were focused chiefly on bilateral relations. All the members of the House and the business groups I met were interested in the success of Vietnam's renovation process and diplomatic activities. They also showed interest in regional security and the prospects for regional cooperation. In particular, they wanted to further promote Vietnam-U.S. relations. In general, they all wanted to increase relations. The business sector, in particular, expressed its desire to see the early granting of the preferential country status to Vietnam so they can expand their relations with us. They held that if the preferential country status is still not available, the U.S. side must formulate promotional policies to facilitate Vietnam's exports to the United States and broaden the scope of their barter trade with Vietnam. This is the first point. The second point is that investment must be promoted. Organizations engaged in investment activities such as banks [words indistinct] will have their investment in Vietnam guaranteed only when a U.S. investment promotion policy toward Vietnam is in place. The United States also realized that, despite their efforts, not much progress has been made in the area of relations because of the many constraints encountered at the initial stage.

As more and more companies from other countries are entering Vietnam to do business, the United States also wants its companies to enter Vietnam as soon as possible. U.S. authoritative organs have also pledged to look into this matter. Many business organizations, especially major trading groups, are very eager to have a prompt U.S. Government decision so they can shape their course of action. Pending such a decision, they wish to send delegations to Vietnam.

With regard to the congressmen, they believed that the need to develop and broaden U.S.-Vietnamese relations is inevitable. As for the normalization of relations, they believed that it would take time and that bilateral cooperation is needed for better mutual understanding and for discussions on the possibilities for developing relations.

Generally speaking, the congressmen appreciated Vietnam's great efforts in the search for U.S. personnel missing in action, and especially Vietnam's recent initiative to conduct a unilateral MIA search. This will increase the chances of success. They welcomed this move. In addition, they hoped that in the period ahead,



we would continue to make mutually beneficial efforts to search for information leading to the discovery of more MIA remains. They believed that having this task done will help speed up the establishment of relations. That is the desire of the U.S. congressmen. In addition, they also indicated that relations must not stop where they are but must instead expand through an increased exchange of visits not only between economic and trade delegations but also between parliamentary delegations.

In response to our proposal, U.S. President Clinton recently sent a letter to the U.S. Congress, clearly pointing out that as Vietnam's cooperation has produced good results, the U.S. side must do something in return. It must show its responsibility by cooperating with Vietnam in the search for the MIA's. As they have provided us with microfilms [on MIA information] in the past, they must make more efforts in this respect in the future. Generally speaking, all the circles we met were elated at the recent improvements and expressed the hope that this was only the beginning and that the relations between the two countries would further develop.

[Correspondent] After attending the UNGA meeting, you visited a number of European countries and the European Union, could you, Minister, speak of the results of this trip and its significance for Vietnamese-European relations?

[Nguyen Manh Cam] After the UNGA meeting, I visited four European countries—Spain, Switzerland, Belgium, and Luxembourg—and the European Union Commission. Generally speaking, all these countries are very eager to do business with Vietnam. They highly appreciated our delegation's visit to exchange views on the prospects for increased relations. Apart from the government, business circles also showed much interest in us. In some countries where trade offices have been established, they wished that in the period ahead, more exchanges of visits between the two countries' trade delegations would be made so they can make more positive investments in Vietnam.

With the European Union in particular, we have had an agreement on knitwear products. Over the past two years, we have satisfactorily carried out this agreement. Barter trade between us and the European commune has increased 3-fold in terms of both volume and value over that in 1991. On this basis, we asked the European Union to broaden this agreement, that is, to broaden the supply of Vietnam's knit-wear products to various countries within the European Union. They expressed their readiness to study this possibility and to try to expand this agreement. What remains to be done between us and the European Union at present is the signing of a master agreement on tax and trade cooperation. This agreement is very important as it will usher in a new stage in the cooperation between us and the European Union. The European Union is very desirous of this, while we are also ready. Preparations for this agreement are all set.

There remain only some minor problems. Currently, the two sides are continuing to exchange views on this. Within a short period from now, this agreement will be finalized and signed. This agreement will create the basis for long-term economic and trade cooperation between Vietnam and the European Union in general. At present, it is the desire of the European Union to do business with Vietnam and other Asian countries. It should be further noted that last July the European Union introduced a policy on Asia. In this policy, the European Union Commission clearly stated that it regards Vietnam as the top priority in its cooperation policy. This is a very special aspect of the relations between countries within the European Union and Vietnam. We have already had good relations with all countries within the European Union, including Spain, relations with which are still at an initial stage. However, the prospects are very good because all the Spanish people, ranging from those in political circles to businessmen, wish to promptly expand their closer relations with us. I also asked these countries to invest in and cooperate with us in introducing new technologies to help manufacture goods to suit the demands of each particular market. Thus, the chances are that we can expand our market in the entire European Union, as we have goods that meet their demands. This will help create a long-lasting and stable market.

[Correspondent] Thank you, Mr. Minister.

#### **Foreign Minister's Visit to Luxembourg Noted**

*BK2910161194 Hanoi VNA in English 1501 GMT  
29 Oct 94*

[FBIS Transcribed Text] Hanoi VNA Oct. 29—Foreign Minister Nguyen Manh Cam paid a visit to the Grand Duchy of Luxembourg from October 26-27, at the invitation of Luxembourg Vice Prime Minister and Foreign Minister J. Poos.

During the visit, Foreign Minister Cam held talks with his Luxembourg counterpart and had working sessions with Minister of Economy and Industry R. Goebbels.

Mr. J. Poos said during the talks that Luxembourg put Vietnam on top in the list of the priority countries in Asia to benefit from Luxembourg's development aid.

He welcomed Vietnam to join the ASEAN and expressed support to the strengthening of the all-round relations between Vietnam and the E.C.

Mr Cam and his counterpart signed an aviation agreement between the two countries and a protocol under which the Luxembourg Government will give aid to a rural electrification project in the central province of Nghe An. Foreign Minister Cam also met Luxembourg National Assembly's Speaker Ms E. H. Schaepages who expressed her wish to establish relationship between the two legislatures.



**Japanese Economic Delegation Concludes Visit**

*BK2910160994 Hanoi VNA in English 1501 GMT  
29 Oct 94*

[FBIS Transcribed Text] Hanoi VNA Oct. 29—The high-level mission on economic and technical cooperation of Japan led by Mr. Akitane Kiuchi, adviser to the Japanese prime minister, left Hanoi today, concluding a six-day visit to Vietnam.

While here, the Japanese delegation was received Prime Minister Vo Van Kiet. It had working sessions with some relevant agencies including the State Planning Committee, the State Committee for Cooperation and Investment, the Ministries of Finance and Foreign Affairs. During these meetings, the host and guest exchanged views on the socio-economic development in Vietnam, its development strategy as well as the medium-scale cooperation between the two countries in the coming time. The issues relating to Official Development Aid (ODA) were also touched upon in these meetings. The two sides agreed that the economic and technological cooperation between Vietnam and Japan would focus on the development of manpower resource, energy, transportation, education, health care and environment protection.

This was a first delegation of high-ranking officials of the Japanese Government to visit Vietnam after the visit of Prime Minister T. Murayama, which aimed at concretizing the cooperation directions resulted from his visit.

Before leaving Hanoi Akitane Kiuchi held a press conference on the results of his visit. Speaking to a great crowd of mass media workers, he highly valued Vietnam's efforts in economic renovation process and national construction.

**Further on National Assembly Proceedings****27 Oct Afternoon Activities**

*BK2910110694 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 27 Oct 94*

[Report by Quang Huong]

[FBIS Summary] "Dear Friends: The National Assembly spent the entire day yesterday in the conference hall discussing the activities of the Supreme People's Court and the Supreme People's Organ of Control, the management of local courts, and the law enforcement work. Generally speaking, all deputies acknowledged the efforts undertaken by the court sector, the organs of control, and law enforcement agencies in performing investigation and trial work, particularly in corruption and smuggling cases, thus helping to restore social order and national discipline and gradually win the public's trust.

"However, in looking squarely at the truth, many deputies mentioned weaknesses and problems in the court sector and the organs of control. They held that these

weaknesses and problems might lead to poor maintenance of social order and national discipline.

"In particular, the trial work in 1994 has left many unsolved civil cases of land and housing disputes, some of which have been waiting for settlement for from three to six years. The execution of court sentences has not been satisfactorily carried out. This is one of many reasons for the increase of evils affecting social order and safety. To analyze the causes leading to this situation, Deputy Nguyen Van Minh of Song Be Province held that:"

[Begin Nguyen Van Minh] The coordination between different law enforcement agencies is not very efficient; therefore, many prosecution cases have not been handled properly, thus badly affecting the proceedings. [end recording]

On other reasons leading to a poor performance of the court sector, Deputy Nguyen Thi Thu Ba of Dong Nai Province said:

[Begin Nguyen Thi Thu Ba] The ability of legal cadres, especially those working in the court sector, is very limited. In previous years, we did not pay proper attention to developing human resources in the court sector. Therefore, when we have to improve the legal work, we do not have enough manpower to execute the necessary work. In addition, we do not yet have uniform legal codes with clear guidance. For example, even now we still have not been able to issue guidelines for the execution of some already promulgated laws. [end recording]

Besides analyzing the causes leading to weaknesses in the trial work of the court sector and the legal enforcement work of the organs of control, some deputies suggested measures for improving the situation. Deputy Nguyen Van Rang of Ho Chi Minh City suggested:

[Begin Nguyen Van Rang recording] First, we must further improve the public's legal knowledge, especially people living in rural areas and those working in the city as well as government offices and schools. Second, we must severely punish criminals with maximum sentences; convicted persons given prison terms must be locked up. At the same time, we call on criminals to surrender under a practical amnesty to reduce the number of people living outside the law. Third, we must adopt measures to improve the reputation of law enforcement officers and increase the level of safety they provide. [end recording]

Many deputies blamed elected organs such as people's committees for not protecting the people's interests. In many cases, crimes have been reported to legal enforcement agencies but have not been investigated or resolved, with no one properly charged. On this subject, Deputy Tran Du Lich of Ho Chi Minh City said:

[Begin Tran Du Lich recording] In order to ensure the supervision right of elected organs, I suggest that any



cases that have been investigated by the public security force and the organ of control with no charges forthcoming in court must be reported to the local people's committees. [end recording]

Many deputies also suggested that the National Assembly introduce legal documents to strictly deal with judges who give incorrect verdicts which have a severe affect on the parties involved.

On the issue of protecting people's legal rights before the law, Deputy Le Thien Nhien of Ben Tre said:

[Begin Le Thien Nhien recording] the National Assembly Standing Committee, the National Assembly Judiciary Committee, people's committees at all levels, elected organs, and responsible organs need to check and supervise the implementation of the law, especially investigation, detainment, reeducation, and prosecution in all localities to prevent any violations of legal rights by law enforcement agencies and to ensure justice and democracy in legal procedures. At the same time, they should conduct checks on and provide guidance for a quick settlement of public complaints, especially regarding cases that have been dragging on for many years. [end recording]

"Dear friends, 25 deputies spoke on the activities of the court sector and the organs of control at yesterday's sitting. Today [28 October], the deputies will hold group discussions on the projected 1995 legislative agenda; the reports on diplomatic activities and national defense and security; and the reports on the activities of the National Assembly Standing Committee and Nationalities Council.

### 28 Oct Proceedings Reported

*BK2910093894 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 28 Oct 94*

[FBIS Translated Text] The National Assembly deputies today discussed in groups the law-making program for 1995, a government report on external relations and national defense and security activities, and the activities of the National Assembly's Standing Committee and Nationalities Council.

Most deputies expressed satisfaction with the aforementioned report. While discussing the proposed law-making program for 1995, all deputies were of the opinion that in general the laws and decrees released in 1994 were in line with the resolutions passed by the National Assembly and responded to the demands of economic and social management as well as national defense and security. They have been promptly implemented. All deputies also agreed to the proposed law-making program for 1995, which consists of the civil law code, seven draft laws, nine draft decrees, and a number of draft decrees transferred from the 1994 law-making program.

Tomorrow [29 October], the National Assembly deputies will work at the Ba Dinh Conference Hall in a

question session with members of the government cabinet on issues raised by deputies in their discussion sessions in the Conference Hall and in groups.

### Assembly Holds Elections 29 Oct

*BK2910130194 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 29 Oct 94*

[FBIS Translated Text] National Assembly deputies continued their work in the Ba Dinh Conference Hall today. Early in the morning, the National Assembly conducted elections to determine additional members of the National Assembly's Standing Committee, the chairman of the Economics and Budget Committee, and the vice chairman of the Science, Technology, and Environment Committee.

As a result of the elections, Comrade Ly Tai Luan was elected member of the National Assembly's Standing Committee and chairman of the Economics and Budget Committee. Comrade Vu Minh Mao was elected vice chairman of the Science, Technology, and Environment Committee.

After the supplementary elections, the National Assembly deputies heard government cabinet members provide answers and explanations to issues raised by deputies.

Mr. Do Quoc Sam, minister chairman of the State Planning Commission, gave answers to issues concerning socioeconomic development planning. Finance Minister Ho Te answered finance and budget questions for 1994 and 1995. Mr. Tran Hong Quan, minister of education and training, explained education and training tasks. The minister of labor, war invalids, and social welfare spoke on national funding to create employment, social insurance, and fight against social vices. Energy Minister Thai Phung Ne discussed measures to reduce electricity blackouts and instability in the provision of electricity. Forestry Minister Nguyen Quang Ha explained the 327th project evaluating the outcome of reforestation efforts. Mr. Nguyen Cong Tan, minister of agriculture and food industry spoke about agricultural production output in 1994, and rice and fertilizer price changes.

The National Assembly will recess tomorrow. On Monday the National Assembly will continue its work at the conference hall and hear cabinet members speak on issues of concern to National Assembly deputies.

### Assembly Issues Communiqué No. 8

*BK3010090394 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 29 Oct 94*

["Communiqué No. 8" of the Ninth National Assembly's Sixth Session]

[FBIS Translated Text] The National Assembly held a plenary session at the conference hall on 29 October under the direction of Chairman Nong Duc Manh.



The National Assembly heard a number of cabinet members answer questions raised by National Assembly deputies and by a number of National Assembly committees. It also heard:

1. Do Quoc San, minister and head of the State Planning Commission, further elaborate on issues concerning the 1995 socioeconomic plan such as development investments; the building, managing, and implementing of various national programs and projects in general; and Project 327—designed to resolve employment—in particular.
2. Ho Te, minister of public health, elaborate on a number of issues concerning implementation of the 1994 state budget, the practice of thrift in accordance with the National Assembly resolution, the situation regarding the division of responsibilities over managing local budgets in 1994, and financial and budgetary tasks for 1995.
3. Tran Hong Quan, minister of education and training, answer questions about approaches designed to achieve the target for compulsory elementary education and illiteracy eradication, and about urgent issues to be carried out in the present cause of education and training.
4. Tran Dinh Hoan, minister of labor, war invalids, and social welfare, answer questions about the national support fund for the resolution of employment problems; about implementing the new wage system; about issues regarding social security and managing the social security fund; and about the policies, approaches, and initial results of the struggle to overcome and dispel social vices.
5. Thai Phung Ne, minister of energy, answer questions about the following issues:
  - the reasons for and measures to overcome the present state of electricity outages, drops in voltage, and the recent fire incidents.
  - the electricity sector's policy toward the issues of investing in repair work and repaying localities money they have invested in building the 10-15 kv power networks in the countryside.
  - the situation regarding the recent power supply for northern localities to fight waterlogging.
6. Nguyen Quang Ha, minister of forestry, elaborate on the implementation of Project 327 and on measures to be taken to ensure better results for this project.
7. Nguyen Cong Tan, minister of agriculture and food industry, answer questions about:
  - ascertaining the 1994 grain output.
  - rice price fluctuations, countermeasures taken, and results obtained.
  - stabilizing the supply and demand and the price of fertilizer.

After hearing the ministers answer questions, seven deputies spoke, seeking further elaboration on certain issues. These deputies include: Mai Thuc Lan from Quang Nam-Danang, Nguyen Thiet Hung from Khanh Hoa, Nguyen Binh Giang from Quang Ninh, Nguyen Dinh Ngo from Thua Thien Hue, Nguyen Thi Hoai Thu from Tien Giang, Cu Hoa Van from Lao Cai, and Phan Thu from Ha Tay. Related ministers continued to answer questions raised by deputies.

Also at the 29 October session, the National Assembly heard Vice Chairman Dang Quan Thuy read the following:

- a report from the National Assembly Standing Committee on the recommendation of deputies for the supplementary election to the positions of National Assembly Standing Committee member and chairman of the National Assembly's Economic and Budget Committee; and
- a report from the National Assembly chairman on the recommendation of deputies for supplementary election to the position of vice chairman of the National Assembly's Science, Technology, and Environment Committee.

Afterward, the National Assembly held a supplementary election for these positions. The results were as follows:

- Deputy Ly Tai Luan from Quang Binh was elected as member of the National Assembly Standing Committee and head of the National Assembly's Economic and Budget Committee.
- Deputy Vu Minh Mao from Thai Binh was elected as vice-chairman of the National Assembly's Science, Technology, and Environment Committee.

The National Assembly will be in session at the conference hall on Monday, 31 October.

#### **Communique No. 9 Issued**

*BK3110155194 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 31 Oct 94*

[“Communique No. 9” issued by the Ninth National Assembly's Sixth Session in Hanoi on 31 October]

[FBIS Translated Text] This morning, the National Assembly held a plenary session at the Conference Hall in Hanoi under the direction of National Assembly Chairman Nong Duc Manh.

The National Assembly heard:

- Minister of Maritime Products Nguyen Tan Trinh present the situation regarding the use of explosions to exploit maritime products and measures to stop it, and orientations dealing with diseases in shrimp rearing areas in a number of provinces.



- Pham Hung, chief judge of the Supreme People's Court, clarify some issues related to trials and other tasks of the court sector.
- Le Thanh Dao, chief procurator of the Supreme People's Organ of Control make a clarification of the correctness of various legal documents, the control of investigations and trials, and the building up of the control sector.
- Deputy Prime Minister Phan Van Khai present a number of major issues related to the evaluation of the

1994 situation and the orientations and tasks for 1995, especially those related to the state budget, promoting investment and development, increasing capital, the policy on export-import, and measures to contain inflation.

This afternoon, the National Assembly held group discussions.

Tomorrow morning, the National Assembly will work in groups. In the afternoon, the National Assembly will hold a plenary session at the conference hall.



**Australia****Team Leaves for Haiti To Assist UN Program**

*BK2810065494 Melbourne Radio Australia in English  
0500 GMT 28 Oct 94*

[FBIS Transcribed Text] A group of Australian federal police officers leave today to assist with the United Nations' law and order program in Haiti. The party of 30 is made up of 27 men and three women. One of the members of the group, a detective constable, Sharon Mekavich, says they're all aware of the dangers but feel that the job is important.

[Begin Mekavich recording] It's certainly is going to be a mission that does have the high element of danger in it. Whether or not it's a most dangerous mission, I can't say. Previously, we have sent contingents to Cambodia and Mozambique, and they certainly had their fair share of problems. So, I could not make a comment at this time as whether ours is going to be any better or any worse. [end recording]

**Trade Minister Warns China on Wool Imports**

*LD2810101794 Melbourne Radio Australia in English  
0900 GMT 28 Oct 94*

[FBIS Transcribed Text] Australia's trade minister, Senator Bob McMullan, has warned China it must reach a satisfactory agreement over wool imports if it wants the Australian government's support for rejoining GATT, the General Agreement on Tariffs and Trade.

Beijing wants to join the trade organisation by the end of the year so it can become a founding member of the new World Trade Organisation [WTO], which replaces GATT next year.

Senator McMullan says Australia is in principle strongly supportive of China's accession to the GATT and the WTO. However, he says, Australia is opposed to higher tariffs on wool imports being proposed by Chinese authorities. China is the biggest importer of Australian wool.

**Papua New Guinea****New Zealand Foreign Minister Visits Bougainville**

*BK3110061094 Melbourne Radio Australia in English  
0500 GMT 31 Oct 94*

[FBIS Transcribed Text] New Zealand's foreign minister, Don McKinnon, has visited the Papua New Guinea [PNG] island of Bougainville. Mr. McKinnon, who is the first New Zealand Government minister to visit the island in more than five years spent the day traveling around the island. In a visit arranged by the PNG Government and the Defense Forces, Mr. McKinnon met government officials, rebel leaders, and villagers.

Mr. McKinnon said there was widespread recognition of the need to keep working toward some kind of settlement to the secessionist rebellion on the island. The New Zealand foreign minister said he would discuss the Bougainville issue with PNG's prime minister, Sir Julius Chan.

**Solomon Islands****Prime Minister Said To Resign; Parliament Meets**

*BK3110075094 Melbourne Radio Australia in English  
0500 GMT 31 Oct 94*

[FBIS Transcribed Text] The Solomon Islands' parliament has met for the first time in nine months. Sean Dorney reports that expected vote of no-confidence in Prime Minister Francis Billy Hilly was not new, but it is likely Mr. Billy Hilly will vacate the position.

[Begin Dorney recording] When the parliament meeting began in the Solomon Islands' capital, Honiara, this morning there were 29 members sitting with the opposition and just 15 with Prime Minister Billy Hilly. Amongst the 29 were some of his former cabinet ministers who have resigned in the past few months. The speaker informed the parliament of intended business which did not include a vote of no-confidence and the sitting was adjourned till 2 PM. Mr. Billy Hilly and the opposition leader, Solomon Mamaloni, have a private discussion before the parliament met and some resolutions of the Solomon's constitutional crisis is expected later today. [end recording]

[At the end of the world newscast the announcer says: "The Solomon Island's prime minister, Francis Billy Hilly, is reported to have resigned."]



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